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DOCUMENTS

RELATING TO THE ORGANIZATION

OF THE

ILLINOIS CENTRAL RAIL-ROAD COMPANY.

(SECOND EDITION.)

New-York :

GEO. SCOTT ROE, STATIONER AND PRINTER,
19 AND 21 MERCHANTS' EXCHANGE,

1852.

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United States of America.

D O C U M E N T S

RELATING TO THE ORGANIZATION

OF THE

ILLINOIS CENTRAL RAIL-ROAD COMPANY.

(SECOND EDITION.)

New-York :

**GEO. SCOTT ROE, STATIONER AND PRINTER,
19 AND 21 MERCHANTS' EXCHANGE.**

1852.

ILLINOIS CENTRAL RAILROAD CO.,

Annual Meeting of Stockholders for the Election of Directors, &c.,

ON THE 3d WEDNESDAY IN MARCH.

DIRECTORS.

HIS EXCELLENCY AUGUSTUS C. FRENCH,
Gov. of the State of Illinois, *ex officio*.

JOHN F. A. SANFORD, <i>N. York,</i>	}	Until Mar. 1853.
LEROY M. WILEY, <i>Do.</i>		
FRANKLIN HAVEN, <i>Boston,</i>		

ROBERT SCHUYLER, <i>N. York,</i>	}	Until Mar. 1854.
MORRIS KETCHUM, <i>Do.</i>		
ROB'T RANTOUL, JR., <i>Beverly, Mass.</i>		

JONATHAN STURGES, <i>N. York,</i>	}	Until Mar. 1855.
THOMAS W. LUDLOW, <i>Do.</i>		
JOSEPH W. ALSOP, <i>Do.</i>		

GEORGE GRISWOLD, <i>N. York,</i>	}	Until Mar. 1856.
GOVERNEUR MORRIS, of Morrissania, <i>Morrissania, N. Y.</i>		
DAVID A. NEAL, <i>Boston,</i>		

OFFICERS.

ROBERT SCHUYLER, PRESIDENT,
DAVID A. NEAL, VICE PRESIDENT,
SOLOMON ALOFSEN, SECRETARY,
MORRIS KETCHUM, TREASURER.

SOLICITORS.

W. H. BISSELL, *of Belleville, Illinois,*
MASON BRAYMAN, *of Springfield, Illinois.*

ENGINEER IN CHIEF.

ROSWELL B. MASON, *of Bridgeport, Connecticut.*

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Ill. Hist. Survey

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United States of America.

ACT OF CONGRESS.

31 CONGRESS.—Ses. 1.—Ch. 61.

Approved 20 September, 1850.

AN ACT granting the right of way, and making a grant of land to the States of Illinois, Mississippi and Alabama, in aid of the construction of a Railroad from Chicago to Mobile.

Be it enacted by the Senate and House of Representatives of the United States of America, in Congress assembled, That the right of way through the public lands be, and the same is hereby granted to the State of Illinois for the construction of a Railroad from the Southern terminus of the Illinois and Michigan Canal to a point at or near the junction of the Ohio and Mississippi Rivers, with a branch of the same to Chicago on Lake Michigan, and another via the town of Galena, in said State, to Dubuque, in the State of Iowa, with the right, also, to take necessary materials of earth, stones, timber, &c., for the construction thereof: *Provided,* That the right of way shall not exceed one hundred feet on each side of the length thereof; and a copy of the survey of said road and branches, made under the direction of the Legislature, shall be forwarded to the proper local land offices respectively, and to the General Land Office at Washington City, within ninety days after the completion of the same.

SEC. 2. *And be it further enacted,* That there be and is hereby granted to the State of Illinois, for the purpose of aiding in making the Railroad and branches aforesaid, every alternate section of land designated by even numbers, for six

sections in width on each side of said road and branches; but in case it shall appear that the United States have when the line or route of said road and branches is definitely fixed by the authority aforesaid, sold any part of any section hereby granted, or that the right of pre-emption has attached to the same, then it shall be lawful for any agent or agents to be appointed by the Governor of said State, to select, subject to the approval aforesaid; from the lands of the United States most contiguous to the tier of sections above specified, so much land in alternate sections or parts of sections, as shall be equal to such lands as the United States have sold, or to which the right of pre-emption has attached as aforesaid, which lands being equal in quantity to one-half of six sections in width on each side of said road and branches the State of Illinois shall have and hold to and for the use and purpose aforesaid: *Provided*, That the lands to be so located shall in no case be further than fifteen miles from the line of the road. *And further provided*, The construction of said road shall be commenced at its southern terminus, at or near the junction of the Ohio and Mississippi Rivers, and its northern terminus upon the Illinois and Michigan Canal simultaneously, and continued from each of said points until completed, when said branch roads shall be constructed, according to the survey and location thereof: *Provided further*, That the lands hereby granted shall be applied in the construction of said road and branches respectively, in quantities corresponding with the grant for each, and shall be disposed of only as the work progresses, and shall be applied to no other purpose whatsoever. *And provided further*, That any and all lands reserved to the United States by the Act entitled "An Act to grant a quantity of land to the State of Illinois, for the purpose of aiding in opening a Canal to connect the waters of the Illinois River with those of Lake Michigan, approved March second, eighteen hundred and twenty-seven," be and the same are hereby reserved to the United States from the operations of this Act.

SEC. 3. *And be it further enacted*, That the sections and parts of sections of land which, by such grant, shall remain

to the United States, within six miles on each side of said road and branches, shall not be sold for less than double the minimum price of the public lands when sold.

SEC. 4. *And be it further enacted*, That the said lands hereby granted to the said State, shall be subject to the disposal of the Legislature thereof, for the purpose aforesaid and no other ; and the said Railroad and branches shall be and remain a public highway, for the use of the Government of the United States, free from toll or other charge, upon the transportation of any property or troops of the United States.

SEC. 5. *And be it further enacted*, That if the said Railroad shall not be completed within ten years, the said State of Illinois shall be bound to pay to the United States the amount which may be received upon the sale of any part of said lands by said State, the title to the purchasers under said State remaining valid ; and the title to the residue of said lands shall reinvest in the United States. to have and hold the same in the same manner as if this Act had not been passed.

SEC. 6. *And be it further enacted*, That the United States Mail shall at all times be transported on the said Rail Road, under the direction of the Post Office Department, at such price as the Congress may by law direct.

SEC. 7. *And be it further enacted*, That in order to aid in the continuation of said Central Railroad from the mouth of the Ohio River to the City of Mobile, all the rights privileges and liabilities hereinbefore conferred on the State of Illinois, shall be granted to the States of Alabama and Mississippi respectively, for the purpose of aiding in the construction of a Railroad from said City of Mobile to a point near the mouth of the Ohio River, and that public lands of the United States to the same extent in proportion to the length of the road on the same terms, limitations and restrictions in every respect, shall be, and is hereby granted to said States of Alabama and Mississippi respectively.

Approved September 20, 1850.

State of Illinois.

Illinois.]

SENATE.

[17th ASSEM.

APPROVED FEBRUARY 10, 1851.

AN ACT to incorporate the ILLINOIS CENTRAL RAIL
ROAD COMPANY.

WHEREAS, in the judgment of this General Assembly, the object of incorporating the CENTRAL RAILROAD COMPANY cannot be attained under general laws : Therefore,

SEC. 1. *Be it enacted by the People of the State of Illinois represented in General Assembly*, That Robert Schuyler, George Griswold, Gouverneur Morris, Franklin Haven, David A. Neal, Robert Rantoul, junior, Jonathan Sturges, George W. Ludlow,* John F. A. Sandford, Henry Grinnell, William H. Aspinwall, Leroy Wiley,† and Joseph W. Alsop, and all such persons as shall hereafter become Stockholders in the Company hereby incorporated, shall be a body politic and corporate, by the name and style of the "ILLINOIS CENTRAL RAIL ROAD COMPANY ;" and under that name and style, shall be capable of suing and being sued, impleading and being impleaded, defending and being defended against, in law and equity, in all courts and places whatsoever, in like manner and as fully as natural persons ; may make and use a common seal, and alter or renew the same at pleasure ; and by their said corporate name and style, shall be capable, in law, of contracting and being contracted with, shall be and are hereby invested with all the powers, privileges, immunities and franchises, and of acquiring by purchase or otherwise, and of holding and conveying real and personal estate, which may be needful to carry into effect fully the purposes and objects of this Act.

* Thomas W. Ludlow, of New York. † Leroy M. Wiley of New York.

SEC. 2. The said corporation is hereby authorized and empowered to survey, locate, construct, complete, alter, maintain and operate a Railroad, with one or more tracks or lines of rails, from the southern terminus of the Illinois and Michigan Canal, to a point at the City of Cairo, with a branch of the same to the City of Chicago, on Lake Michigan ; and also a branch, via the City of Galena, to a point on the Mississippi river, opposite the town of Dubuque, in the State of Iowa.

SEC. 3. The said corporation shall have right of way upon, and may appropriate to its sole use and control, for the purposes contemplated herein, land not exceeding two hundred feet in width through its entire length ; may enter upon and take possession of, and use all and singular any lands, streams and materials of every kind, for the location of depots and stopping stages, for the purpose of constructing bridges, dams, embankments, excavations, station grounds, spoil banks, turnouts, engine houses, shops and other buildings necessary for the construction, completing, altering, maintaining, preserving and complete operation of said road. All such lands, waters, materials and privileges belonging to the State, are hereby granted to said corporation for said purposes ; but when owned or belonging to any person, company or corporation, and cannot be obtained by voluntary grant or release, the same may be taken and paid for, if any damages are awarded, in the manner provided in "An Act to provide for a general system of Railroad Incorporations," approved November 5th, 1849 ; and the final decision or award shall vest in the corporation hereby created, all the rights, franchises and immunities in said Act contemplated and provided : *Provided*, That the appeal allowed by the provisions of the aforesaid Act, approved the 5th of November, 1849, shall not affect the possession, by such company, of the land appraised, and when the appeal is made by others than the company, the same shall not be allowed, except on a stipulation of the party appealing that the said company may enter upon, and use the lands described in the petition, for the uses and purposes in said petition set forth, upon said company giving bond and security, to be

approved by the Clerk of said Court, that they will pay all costs and damages that may be awarded against said company on the hearing of said appeal: *Provided*, That nothing in this section contained shall be so construed as to authorize the said corporation to interrupt the navigation of said stream.

SEC. 4. The capital stock of said corporation shall be one million of dollars, which may be increased, from time to time, to any sum not exceeding the entire amount expended on account of said road, divided into shares of one hundred dollars each, which shall be deemed personal property, and may be issued and transferred in such manner and at such places as may be ordered and provided by the board of directors, who shall have power to require the payment of sums subscribed by stockholders, in such manner and on such terms as they may deem proper; and on refusal or neglect on the part of stockholders, or any of them, to make payment, on the requisition of the board of directors, the shares of such delinquents may, after thirty days' public notice, be sold at public auction, under such rules as said board of directors may adopt—the surplus money, if any remains, after deducting the payments due, with the interest and the necessary costs of sale, to be paid to such delinquent stockholders. The board of directors hereby appointed, shall cause books to be opened for subscriptions to said stock, in such manner and at such time and places as they shall direct.

SEC. 5. All the corporate powers of said company shall be vested in and be exercised by a board of directors, and such officers and agents as they shall appoint. The board of directors shall consist of not less than twelve stockholders—three of whom shall be chosen every year by the stockholders—each share having one vote, to be given in person or by proxy—and the Governor of the State of Illinois, who shall be a director, ex-officio, perpetually, voting in person or by proxy; each director, successively elected, to continue in office until his successor is elected and qualified. Vacancies in the board may be filled by a vote of two-thirds of the directors remaining; such appointees to continue in

office until the next regular election of directors ; but no person shall be so elected who shall not have been openly nominated at a meeting of the directors, at least one week before the time appointed for such election. Other officers, agents and servants, whether members of the board, or otherwise, may be appointed, employed, paid and dismissed, under such rules and regulations as the board of directors may from time to time, adopt.

SEC. 6. The following named persons shall constitute the first board of directors, to wit : Robert Schuyler, George Griswold, Gouverneur Morris, Franklin Haven, David A. Neal, Robert Rantoul, jr., Jonathan Sturges, George W. Ludlow, John F. A Sandford, Henry Grinnell, Joseph W. Alsop, Leroy Wiley, with the Governor of the State of Illinois. for the time being, whose power shall commence and be in full force from and after the day this Act shall be accepted, in the manner herein provided.

SEC. 7. The president and directors, for the time being, are hereby authorized and empowered, by themselves, their officers or agents, to execute all the powers herein granted, for the purpose of surveying, locating, constructing, completing, altering, maintaining and operating said road and branches ; and for the transportation upon the same of persons, goods, wares and merchandize, with all such powers and authority of control and management of the affairs of said company, as may be necessary and proper to carry into full and complete effect the meaning and intent of this Act.

SEC. 8. The said company shall have power to make, ordain and establish all such by-laws, rules and regulations as may be deemed expedient and necessary to fulfil the purposes and carry into effect the provisions of this Act, and for the well ordering, regulating and securing the affairs, business and interests of the company : *Provided*, that the same be not repugnant to the constitution and laws of the United States or of this State, or repugnant to this Act. The board of directors shall have power to establish such rates of toll for the conveyance of persons and property upon the same as they shall, from time to time, by their by-laws, direct and determine, and to levy and collect the same for

the use of the said company. The transportation of persons and property ; the width of track ; the construction of wheels ; the form and size of cars ; the weight of loads ; and all other matters and things respecting the use of said road, and the conveyance of passengers and property, shall be in conformity to such rules and regulations as said board of directors shall from time to time determine. Nothing in this Act contained shall authorize said corporation to make a location of their track within any city, without the consent of the common council of said city.

SEC. 9. If any person shall carelessly, wilfully, maliciously, or wantonly delay, hinder, or obstruct the passage of any carriage on said road or branches, or shall place, or cause to be placed any material thereon, or in any way trespass upon, spoil, injure, or destroy said road or branches, or any part thereof, or anything belonging or pertaining thereto, or employed or used in connection with its location, survey, construction, or management, all persons committing, or aiding and abetting in the commission of such trespass, or offence, shall forfeit and pay to the said company treble such damages as shall be proved before any court of competent jurisdiction ; and further, such offenders shall be liable to indictment in the county within whose jurisdiction the offence may be committed, and to pay a fine of not less than thirty, nor more than one hundred dollars, to the use of the people of the State of Illinois, or may be imprisoned in the penitentiary for a term not exceeding five years, in the discretion of the court before whom the same shall be tried.

SEC. 10. Said corporation may construct their said road and branches over or across any stream of water, water course, road, highway, railroad or canal, which the route of its road shall intersect, but the corporation shall restore the stream or water course, road or highway, thus intersected, to its former state, or in a sufficient manner not to have impaired its usefulness. Whenever the track of said railroad shall cross a road or highway, such road or highway may be carried under or over said track, as may be found most expedient ; and in case where an embankment or cutting shall

make a change in the line of such road or highway desirable, with a view to a more easy ascent or descent, the said company may take such additional lands for the construction of such roads or highway as may be deemed requisite by said corporation, unless the lands so taken shall be purchased or voluntarily given for the purposes aforesaid. Compensation therefore shall be ascertained in the manner in this Act provided, as nearly as may be, and duly made by said corporation to the owners and persons interested in such lands. The same when so taken or compensation made, to become a part of such intersecting road or highway, in such manner and by such tenure as the adjacent parts of the same highway may be held for highway purposes.

SEC. 11. And when the route of the said road, or either of its branches, as provided in this Act, shall intersect, cross, or connect with, or run along or upon the line of any other railroad now constructing, or now in process of construction by any other company, the company to be formed under this Act shall join with such other company, in making all necessary turn-outs, sidelings and switches, and other conveniences necessary to further the objects of such connection; and when the route of any other company shall be occupied as aforesaid just compensation shall be made to such other company, for all expenditures made by them, in the location of such road; and all railroads so constructed, or now in process of construction, intersected as aforesaid, and connections made with the roads authorized to be built by this Act, shall be made, and facilities in the transshipment of freight and passengers, and interchange of cars afforded by each, over the respective roads, upon fair and equitable terms, and in case the said companies cannot agree upon the amount of compensation to be made therefor, or the points and manner of such crossings and connections, the transshipment of freight and passengers, and interchange of cars, the same shall be ascertained and determined by three commissioners, one to be chosen by each of said companies, and the two so chosen to choose a third, and in case they cannot agree upon the choice of a third person, he shall be appointed by the Judge of the District Court of the United States for the

District of Illinois; and the decision of the three, when so chosen, shall be final; *Provided*, That this corporation shall not take and run on the road or line of any such company which is now being constructed, without the consent and agreement of the company whose road or line is proposed so to be used.

SEC. 12. Every conductor, baggage master, engineer, brakeman or other servant of said corporation employed in a passenger train, or at stations for passengers, shall wear upon his hat or cap a badge, which shall indicate his office, the initial letters or style of the corporation. No conductor or collector, without such badge, shall demand or be entitled to receive from any passenger any fare, toll or ticket, or exercise any of the powers of his office, and no other of said officers, or servants, without such badge, shall have any authority to meddle or interfere with any passenger, his baggage or property. In forming passenger trains, baggage or freight, or merchandise, or lumber cars shall not be placed in rear of passenger cars; and if they, or any of them, shall be so placed, and any accident shall happen to life or limb, the officer or agent who so directed or knowingly suffered such arrangement, and the conductor or engineer of the train, shall each and all be held guilty of a misdemeanor, and be punished accordingly.

SEC. 13. A bell of at least thirty pounds weight, or a steam whistle, shall be placed on each locomotive engine, and shall be rung or whistled at the distance of at least eighty rods from the place where the said road shall cross any other road or street, and be kept ringing or whistling at intervals until it shall have crossed said road or street, under a penalty of fifty dollars for every neglect, to be paid by said corporation, one half thereof to go to the informer, and the other half to the State, and to be liable for all damages which shall be sustained by any persons by reason of such neglect. Said corporation shall cause boards to be placed, well supported by posts or otherwise, and constantly maintained across each public road or street, where the same is crossed by the Railroad, on such elevation as not to obstruct the travel, and to be easily seen by travellers, and on each

side of said board shall be painted in capital letters, of at least the size of nine inches each, the words : “ *Railroad Crossing ! Look out for the Cars.* ” But this provisions shall not apply to streets or cities, or villages, unless the corporation be required to put up such boards by the officers having charge of such streets.

SEC. 14. Said corporation shall, within a reasonable time after said road and branches shall have been located, cause to be made a map and profile thereof, and of the land taken and obtained for the use of such road and branches, and file the same in the office of the Secretary of State, and also like maps of the parts thereof located in the different counties through which the same may pass, and cause the same to be recorded in the office for recording deeds in the County in which said parts of said road and branches shall lie.

SEC. 15. For the purpose of securing the construction of said road and branches, the right of way, and all the lands which may be selected along the lines of said road and branches, within this State, under the grant made by the government of the United States to the State of Illinois, by virtue of “ An Act granting the right of way, and making a grant of land to the States of Illinois, Mississippi and Alabama, in aid of the construction of a Railroad from Chicago to Mobile,” passed September twentieth (20) eighteen hundred and fifty (1850;) and also the right of way which the State of Illinois has heretofore obtained along and on the line of said Railroad and branches, as heretofore located and surveyed, for the uses of the same, as well as the lot of ground obtained by the State within the City of Cairo, for a depot, and all the grading, embankments, excavations, surveys, work, materials, personal property, profiles, plats, and papers, constructed, procured, furnished and done by or in behalf of the State of Illinois, for or on account of said road and branches, also the right of way over and through lands owned by the State, are hereby ceded and granted to said corporation, for the only and sole purpose of surveying, locating, constructing, completing, altering, maintaining and operating said road and branches, as in this Act provided, and in the manner following—that is to say : Immediately

upon the organization of said company, and the presentation to the Governor of the State of Illinois, of a certificate, signed by the corporators hereinbefore named, and duly acknowledged, accepting of this Act of Incorporation, and certifying to the due organization of said corporation—to the subscription to the capital stock thereof by the corporators hereinbefore named, and their associates, of the sum of one million of dollars, and the bona fide payment of twenty per cent. thereon, to the treasurer of said Company, verified by the affidavits of the president and treasurer of said Company; (which said certificates shall be filed in the office of the Secretary of State,) and after three hundred thousand dollars of registered Canal bonds or funded internal improvement bonds of the State of Illinois, or two hundred thousand dollars in specie, or two hundred thousand dollars of six per cent. United States stock, shall have been by said corporation deposited with the Treasurer of the State of Illinois, which shall be safely preserved and kept in the Treasury of said State, upon the faith of the same, to be returned to or paid over to said corporation, upon the full completion and operation of fifty miles of said Railroad, by the said corporation, according to the provisions of their said charter, the said Governor of the State of Illinois shall, in his official capacity, and in behalf of the State of Illinois, and under the great seal thereof, execute and deliver to the said Company a deed, in fee simple, of all said lands granted by the government of the United States, under the Act of Congress aforesaid, said depot lot at Cairo, right of way, grading, embankments, excavations, surveys, work, materials, profiles, plats and papers, hereinafter described and set forth or in any way appertaining to said road and branches: *Provided*, That said company shall simultaneously with the execution of said deed by said Governor, execute a deed of trust to the persons and for the purposes hereinafter named and expressed. *And provided further*, That the deed, in fee simple, to be executed by the Governor as aforesaid, shall recite, at full length, the Act of Congress aforesaid, this Act and the deed of trust aforesaid. Said deed of trust shall be executed to Morris Ketchum, John Moore and Samuel D. Lockwood, as Trus-

tees, and shall include and convey to said trustees and their successors, everything included and conveyed in and by said deed, in fee simple, and in addition thereto, the Railroad or Railroads which may be built upon or along said track or tracks, line or lines, and materials, for the construction thereof, with all and singular the buildings, shops, engine houses, turn-outs, stations and real estate of every nature and description belonging or to belong to, or in anywise appertaining or to appertain to said road and branches, for the uses, trusts and purposes following, that is to say :

First. To secure and guarantee to the State of Illinois, the first and prior lien on everything conveyed by said deed of trust, of every name, character and description, for security, as follows : *Firstly*—The constructing, completing and furnishing said road and branches, in the manner and time, and upon conditions in this Act provided. *Secondly*—For the faithful application of all money or property arising from the sale of lands, or obtained upon the faith of the same, as hereafter authorized, to the constructing, completing, equipping and furnishing said road and branches, in accordance with the terms of this Act and said Act of Congress. *Thirdly*—The indemnification of the State of Illinois against all and every claim of the United States government, for proceeds of sale of lands made by said Company, under the provisions of this Act, in the event said road and branches shall not be completed, as required by the Act of Congress above referred to. *Fourthly*—The lien hereby created shall take and have precedence of all demands, incumbrances, mortgages, bonds, judgments and decrees, against said corporation or said property, except so far as the absolute power of selling said lands, or any portion thereof, is herein provided for : *Provided*, That in case fifty miles of the said road shall not be constructed, according to the provisions of this Act, within two years, from and after the date of the organization of the Company under the same; the bonds or money herein provided to be deposited with the Treasurer of the State of Illinois, shall become forfeited to and become the property of the said State, subject to the disposition of the Legislature thereof.

Second. That on its organization, said Company may enter upon, take and receive possession of the said tracks or lines, for the purpose of surveying, locating, working and constructing said road and branches, with the right of way, land, grading, embankments, excavations, surveys, work, materials, property, profiles, plats and papers aforesaid, to be occupied, used and employed, for the purposes contemplated by this Act, under whosoever control the same may be.

Third. That said Company shall proceed to locate, survey and lay out, construct and complete said road and branches, through the entire length thereof—the main trunk thereof, or central line, to run from the City of Cairo to the southern termination of the Illinois and Michigan Canal, passing not more than five miles from the northeast corner of township twenty-one north, range two east of the third principal meridian, and no where departing more than seventeen miles from a straight line between said City of Cairo, and said southern termination of said Canal, with a branch running from the last mentioned point, upon the most eligible route, to the City of Galena; thence to a point on the Mississippi River, opposite the City of Dubuque, in the State of Iowa; with a branch also diverging from the main track, at a point not north of the parallel of thirty-nine and a half degrees north latitude, and running on the most eligible route into the City of Chicago, on Lake Michigan. That the central road or main track shall be completed, with at least one line of rails, or single track, with the necessary turn-outs, stations, equipments and furnishings, within four years from the date of the execution of said deed of trust, and the branches within six years from the said date—said roads to be made equal, in all respects, to the road leading from Boston to Albany, usually known as the Great Western Railway, with such improvements as experience shall have shown to be expedient—the central or main line to be first commenced, and to be continued to completion.

Fourth. A portion of said lands, so conveyed to said trustees, not exceeding one-fourth part thereof in value, to

be designated by said Company, shall be held by said trustees, free from all incumbrances, for purposes of sale, from time to time, on the requisition of said Company, for the purpose of raising funds for the payment of interest on loans in case of deficiency from other sources, and for such expenditures as the exigencies of the business of the Company may require: *Provided*, That no portion of said fourth part of said lands shall be sold until said road and branches shall have been surveyed and located, and the work actually commenced on the main road: *Provided further*, That no portion of said lands so held by said trustees, free from all incumbrance for said purposes, shall be sold or offered for sale, until the said trustees shall be satisfied that a sum of money has been actually expended upon the construction of a section, of at least fifty miles of said road, adjacent to said lands, equal in amount to the sum of money to be raised from the sale of such portion of said lands, or until a section of at least fifty miles of said road, adjacent to said lands, shall have been completed—when the lands on said section will be sold—and so on till the said road and branches shall be complete.

Fifth. For the purpose of raising funds from time to time, for the construction and completion of said road and branches, and the purchase of iron and other materials, to be used thereon, said company may issue its bonds, countersigned by the said trustees, in sums of not less than five hundred, nor more than one thousand dollars each, at rates of interest not higher than seven per cent. per annum, payable semi-annually; the principal of said bonds payable in the year one thousand eight hundred and seventy-five, or sooner, at the pleasure of the Company, at such place as it shall designate. The payment of said bonds shall be secured by the deed of trust aforesaid, of said lands, roads and materials, as hereinbefore provided; subject, nevertheless, to the prior lien of the State upon said lands and property hereinbefore provided for; which said prior lien shall be referred to and recited in said bonds so to be issued by said company: *Provided*, that the faith of the State is in nowise pledged for the redemption of said bonds to any extent.

SEC. 16. When the said company shall have completed and put in running order fifty miles of said road, the said trustees, on the requisition of said company, may proceed to sell the lands lying along and adjacent to such section so completed, (and not reserved free from all incumbrance as aforesaid,) in such manner as the company may direct. Said lands shall be sold for cash in hand, or the bonds of said company at par. All bonds received on such sales shall be cancelled by said trustees and delivered to said company. The trustees shall invest all monies received on such sales in the bonds of the company, which shall be, in like manner, cancelled and returned. On cancelling said bonds, and before returning them to the company, said trustees shall make a brief memorandum on each bond, specifying for or on what particular tract or tracts of land the same was received. On making such sales and receiving the price of such lands in money or bonds as aforesaid, said trustees shall convey such tracts, by an absolute title, in *fee simple*, to the purchasers ; which conveyance shall operate as a release or an acquittance of the particular tract or tracts so sold, from all liability or incumbrance on account of said deed of trust and the issue of said bonds, so specified in the preceding section, so as to vest in the purchasers a complete and indefeasible title. Before any sales shall be made of any of said lands, the said trustees shall make a complete record, describing each and every tract of land selected under said Act of Congress, a copy of which record shall be filed in the office of the Auditor of this State, and as sales of land are made, as provided herein, from time to time, the said trustees shall make and keep a record as aforesaid of every and each tract of land so sold, together with the name of the person to whom, and the price for which the same was sold. A copy of which record of sales shall be filed in said Auditor's office, semi-annually.

SEC. 17. The trustees shall not at any time during the construction of said road and branches, sell or dispose of lands to an amount exceeding the sum which shall then have actually been expended upon the said work, but may, at the request of the company, sell as the work progresses, so as

to meet expenditures actually made on the sections of road completed, as far as the receipts from said sales may go towards their liquidation. And all lands remaining unsold at the expiration of ten years after the completion of said road and branches, shall be offered at public sale, annually, until the whole is disposed of, and the avails applied to the payment of the outstanding bonds of the company as aforesaid ; or, if no such bonds be outstanding, said avails shall be paid to said Company.

SEC. 18. In consideration of the grants, privileges and franchises herein conferred upon said Company, for the purposes aforesaid, the said Company shall, on the first Mondays of December and June, in each year, pay into the Treasury of the State of Illinois, five per centum on the gross or total proceeds, or receipts, or income derived from said road and branches, for the six months then next preceding. The first payment of such per centage on the main trunk of said road to commence four years from the date of said deed of trust, and on the branches, six years from the date aforesaid, unless said road and branches are sooner completed, then from the date of completion. And for the purpose of ascertaining the proceeds, receipts or income aforesaid, an accurate account shall be kept by said Company, a copy whereof shall be furnished to the Governor of the State of Illinois ; the truth of which account shall be verified by the affidavits of the Treasurer and Secretary of such Company. And for the purpose of verifying and ascertaining the accuracy of such account, full power is hereby vested in the Governor of the State of Illinois, or any other person by law appointed, to examine the books and papers of said corporation, and to examine, under oath, the officers, agents and employees of said Company, and other persons. And if any person so examined by the Governor, or other authority, shall knowingly and wilfully, swear falsely, or if the officers making such affidavits, shall, knowingly and wilfully, swear falsely, every such person shall be subject to the pains and penalties of perjury.

SEC. 19. The selection of lands provided for in the Act of Congress, making the grant hereinbefore specified, shall

be made by said Company, or such agents as it may designate, under the appointment of the Governor of this State, subject to the approval in said Act specified. Said selection, as well as the survey, location and completion of said road and branches, and the compensation of such trustees, shall be at the cost and charge of said Company, without charge of any kind upon the Treasury of the State of Illinois. Said road and branches to be free for the use of the United States, and to be employed by the post office department as provided in said Act of Congress.

SEC. 20. In case of the death, resignation, removal, or inability to act, of either or all of said Trustees, the vacancy or vacancies shall be filled by the Governor of the State of Illinois, and said Company alternately; the Governor filling the first vacancy that may occur.

SEC. 21. The corporate authorities of any city or cities on the line of said road or branches, or at either terminus thereof, or any owner or owners of property in any such city, or any association of citizens, duly authorized by any such corporation, shall have power to lay down or construct a track or Railroad, along any of the streets of any such cities, for the purpose of conveying property to and from said Railroad, which may be consigned to any of the warehousemen, in any of said cities, that said track or Railroad (under the direction of said Company,) may intersect the track of said Railroad Company at or near the main depot, in said cities, respectively; and said Company shall, at all times, permit the owners or consignees of property in such cities, to take the cars containing the property to them consigned, to their respective warehouses upon said track: *Provided*, That any car so taken shall be returned without any unnecessary delay: *And provided further*, That whenever it shall be necessary, for the convenience of the public, or persons receiving or sending property by said Railroad, the said company shall permit side tracks to intersect their main road at any depot on or along the line of said road; and that such persons shall be entitled to have any property taken from such side tracks, under the directions and regulations of said company, without unreasonable delay; and for the non-

performance by said company, of any act of this proviso required to be done, said company shall forfeit and pay to the party aggrieved the sum of fifty dollars, in each case ; to be recovered in an action of debt, before any Justice of the Peace, or any Court having jurisdiction thereof.

SEC. 22. The lands selected under said Act of Congress, and hereby authorized to be conveyed, shall be exempt from all taxation under the laws of this State, until sold or conveyed by said corporation or trustees, and the other stock, property and effects of said company shall be in like manner exempt from taxation for the term of six years from the passage of this Act. After the expiration of said six years, the stock, property and assets belonging to said company shall be listed by the president, secretary or other proper officer, with the Auditor of State, and an annual tax for State purposes shall be assessed by the Auditor, upon all the property and assets of every name, kind and description belonging to said corporation. Whenever the taxes levied for State purposes shall exceed three-fourths of one per centum per annum, such excess shall be deducted from the gross proceeds or income herein required to be paid by said corporation to the State, and the said corporation is hereby exempted from all taxation, of every kind, except as herein provided for. The revenue arising from said taxation, and the said five per cent. of gross or total proceeds, receipts or income aforesaid, shall be paid into the State Treasury, in money, and applied to the payment of interest, paying State indebtedness, until the extinction thereof: *Provided*, in case the five per cent. provided to be paid into the State Treasury, and the State taxes to be paid by the corporation, do not amount to seven per cent. of the gross or total proceeds, receipts or income, then the said Company shall pay into the State Treasury the difference, so as to make the whole amount paid equal at least to seven per cent. of the gross receipts of said corporation.

SEC. 23. This Act, and all grants herein contained, shall cease and be void, unless accepted by said Company within sixty days after the passage of this Act ; and immediately on such acceptance, made in the manner above provided, the

deed in fee simple, and the deed of trust aforesaid shall be made as above provided. All the grants herein contained shall cease and be void, unless said road and branches be surveyed and located, and work on the main trunk actually begun, before the first day of January, 1852.

SEC. 24. The State shall have a prior lien upon said road and branches, and all the appurtenances and stock thereof, for all penalties, taxes and dues which may accrue to the State from said corporation, as herein provided ; which lien of the State shall take precedence of all demands, judgments or decrees against said corporation.

SEC. 25. That each and every person who, on the twentieth day of September, one thousand eight hundred and fifty, was the owner of any improvements made previous to that date, or any lot of land conveyed to the said Company, and who became such owner with a view to a residence on, or occupation of such lot of land for agricultural purposes, shall have the right to purchase, at not exceeding two dollars and fifty cents per acre, a quantity of the lot so owned, to be bounded by the legal subdivisions, not exceeding one-quarter section, to consist of the quarter quarter, half-quarter, or quarter section, which will include the improvement aforesaid : *Provided*, That any person claiming the right to purchase under the provisions of this Act, shall, within three months from the date of selecting the lands, file in the Clerk's office of the Circuit Court of the County in which the land claimed is situated, a notice to the said trustees and corporation, of his, her, or their claims, describing the land by its numbers, accompanied with an affidavit, stating the date and object of the improvement, the time and manner, when and how he, she, or they became the owner thereof, and also the affidavits of at least two residents of the County, proving the facts in relation to such claim : *And provided further*, That the right of way upon and across any lot of land sold under the provisions of this section, not exceeding two hundred feet in width, shall be reserved and retained for the passage of the road, as the same may be located and constructed, and any person claiming the right to purchase as aforesaid, shall within

twelve months from the date of commencing the work on the road within the county in which the land is situated, pay the said Trustees or the corporation, the consideration money for the land claimed; which payment shall entitle him, her, or them, to a deed conveying an estate in fee; but in case of failure to make such payment the right to make the purchase shall cease. When two or more persons claim the right to purchase the same lot of land, and file the proof of ownership as herein required, the person proving the first residence by himself, or those under whom he claims the improvement, shall have the right to make the purchase, but no sale or conveyance of any lot of land under the provisions of this section, shall affect the rights or equities of parties claiming the same, as between each other.

SEC. 26. In case the person incorporated by this Act shall fail or neglect to accept the provisions of the same, and comply with its conditions within the time, and in the manner herein prescribed, then the same may be accepted by any other Company, which shall be approved of by the Governor, Auditor and Treasurer of this State, who, upon complying with the terms and conditions of this Act, shall be vested with all the rights, powers and immunities, conferred upon the corporators herein named, and shall be subject to all the liabilities in the said Act set forth, in as full, ample and complete a manner, as if their names were inserted as corporators in this Act.

SEC. 27. This Act shall be deemed a Public Act, and shall be favorably construed for all purposes therein expressed, and declared in all Courts and places whatsoever, and shall be in force from and after its passage.

SIDNEY BREEZE,

Speaker of the House of Representatives.

WILLIAM McMURTNEY,

Speaker of the Senate.

Approved, February 10, 1851.

AUG. C. FRENCH.

Certificate of Act, with Seal of the State of Illinois, by

DAVID L. GREGG,

Secretary of State.

TO HIS EXCELLENCY, AUGUSTUS C. FRENCH,

Governor of the State of Illinois :

THE ILLINOIS CENTRAL RAILROAD COMPANY hereby certify and and declare, that they have accepted, and do hereby accept the Act of Incorporation of said Company, entitled "An Act to incorporate the ILLINOIS CENTRAL RAILROAD COMPANY," passed and approved on the tenth day of February, one thousand eight hundred and fifty-one. And this certificate is presented in compliance with the requirements of said Act, and particularly of the twenty-third section thereof.

IN WITNESS WHEREOF, and in pursuance of a resolution of the Board of Directors, passed on the nineteenth day of March, one thousand eight hundred and fifty-one, the said ILLINOIS CENTRAL
[L. S.] RAILROAD COMPANY have caused their corporate seal to be hereto affixed, and the names of their President and Secretary to be signed to this certificate, this twenty-second day of March, one thousand eight hundred and fifty-one.

ROBERT SCHUYLER,

President Illinois Central Rail Road Company.

S. ALOFSEN,

Secretary Illinois Central Rail Road Company.

EXECUTIVE DEPARTMENT, }
 SPRINGFIELD, ILLINOIS, APRIL 4, 1851. }

DEAR SIR,

I have the honor to acknowledge the receipt of the acceptance of the Act of the Legislature of the State of Illinois, to incorporate the CENTRAL RAIL ROAD COMPANY, by the Company, as required by the Twenty-third Section of said Act.

Very Respectfully, yours,

AUG. C. FRENCH.

This Certifies that I have this twenty-fourth day of March, one thousand eight hundred and fifty-one, received from the ILLINOIS CENTRAL RAIL ROAD COMPANY two hundred thousand dollars, in specie, which sum is to be safely kept in the Treasury of the State of Illinois, upon the faith of the State, and to be returned to, or paid over to the said ILLINOIS CENTRAL RAILROAD COMPANY, upon the full completion and operation of fifty miles of the Rail Road, to be constructed by said Corporation, according to the provisions of their charter.

(Signed in triplicate,) JOHN MOORE,

Treasurer of Illinois.

DEED

GOVERNOR OF STATE OF ILLINOIS TO ILLINOIS CENTRAL RAIL ROAD COMPANY.

This Indenture, made this twenty-fourth day of March, in the year of our Lord one thousand eight hundred and fifty-one, BETWEEN AUGUSTUS C. FRENCH, Governor of the State of Illinois, of the first part, and the ILLINOIS CENTRAL RAIL ROAD COMPANY, of the second part, WITNESSETH: **Whereas**, the Congress of the United States of America, on the twentieth day of September, one thousand eight hundred and fifty, passed An Act entitled "AN ACT granting the Right of Way, and making a Grant of Land to the States of Illinois, Mississippi, and Alabama, in aid of the construction of a Rail Road from Chicago to Mobile," which Act is in the words and figures following, to wit :

(As heretofore on page 5.)

And Whereas, the Legislature of the State of Illinois, on the tenth day of February, one thousand eight hundred one fifty-one, passed An Act entitled "AN ACT to incorporate the ILLINOIS CENTRAL RAIL ROAD COMPANY," which Act is in the words and figures following, to wit ;

(As heretofore on page 8.)

And Whereas, the Corporators mentioned in the first Section of said Act of the Legislature of the State of Illinois, on the [19th] day of March, one thousand eight hundred and fifty-one, agreed to accept the Act of Incorporation hercinbefore set forth, and have on the same day presented to the Governor of the State of Illinois, a Certificate signed by said Corporators, and duly acknowledged, accepting of said Act of incorporation, and certifying to the due organization of said Corporation, and that they had elected ROBERT SCHUYLER as their President, and SOLOMON ALOFSEN as their Secretary, and EDWARD BEMENT as their Treasurer, and said Certificate further **Certifies**, that a subscription to the Capital Stock of said Company by the Corporators named in said Act, and their Associates, had been duly made in the sum of One Million of Dollars, and that Twenty per cent. thereon had been *bona fide* paid to the Treasurer of said Company.

And Whereas, Two Hundred Thousand Dollars in specie has been by said Corporation deposited with the Treasurer of the State of Illinois, which appears by a Duplicate Receipt, signed by said Treasurer.

And Whereas, on the day and year first above mentioned, and simultaneously with the delivery hereof, a Deed of Trust by the said The ILLINOIS CENTRAL RAIL ROAD COMPANY is executed and delivered to MORRIS KETCHUM, JOHN MOORE and SAMUEL D. LOCKWOOD, for the uses and purposes therein expressed, which Deed of Trust is in the words and figures following, to wit :

(As on page 30.)

Now, in consideration of the premises above recited and to carry into effect the Act of the Legislature of the State of Illinois aforesaid, **This Indenture witnesseth :** That the said Governor of the State of Illinois, in pursuance of the authority in him vested by the Statute last aforesaid, and for the purpose of securing the construction of said Rail Road and Branches, HATH granted, bargained and sold, and by these presents DOTH grant, bargain and sell to the ILLINOIS CENTRAL RAIL ROAD COMPANY, **All** the lands granted by the Government of the United States, under the Act of Congress aforesaid, to the State of Illinois ; **ALSO,** the lot of ground obtained by the State of Illinois within the City of Cairo for a Depot : **ALSO,** the Right of Way, Grading, Embankments, Excavations, Survey, Work, Materials, Profiles, Plats and Papers described in said Act of the Legislature of the State of Illinois, or in anywise appertaining to said Railroad and Branches. **TO HAVE AND TO HOLD,** in fee simple, all and singular the above granted and described premises, with the appurtenances thereunto belonging to the said ILLINOIS CENTRAL RAIL ROAD COMPANY, and to their successors forever, to the uses and for the purposes mentioned in the said Act of the Legislature of the State of Illinois.

In Testimony whereof, the said AUGUSTUS C. FRENCH, Governor of the State of Illinois, and in his official capacity as Governor as aforesaid, hath hereunto subscribed his name and caused the Great Seal of the State of Illinois to be hereunto affixed, the day and year first above written.

[L. S.]

(Signed,) AUGUSTUS C. FRENCH.

DEED OF TRUST.

ILLINOIS CENTRAL RAIL ROAD COMPANY TO
MORRIS KETCHUM, JOHN MOORE, AND
SAMUEL D. LOCKWOOD.

This Adventure, made this twenty-fourth day of March, in the year one thousand eight hundred and fifty-one, BETWEEN THE ILLINOIS CENTRAL RAIL ROAD COMPANY of the first part, and MORRIS KETCHUM, of the City of New-York, JOHN MOORE and SAMUEL D. LOCKWOOD, of the State of Illinois, Trustees of the second part, WITNESSETH : **Whereas**, the Governor of the State of Illinois, hath, on the day of the date of these presents, executed a Deed, in fee simple, to the "ILLINOIS CENTRAL RAIL ROAD COMPANY," of all the lands granted by the Government of the United States, under an Act of Congress, approved the 20th September, 1850, entitled "An Act granting the Right of Way, and making a grant of land to the States of Illinois, Mississippi and Alabama, in aid of the construction of a Rail Road from Chicago to Mobile," to the State of Illinois, said Deed also conveys to the said ILLINOIS CENTRAL RAIL ROAD COMPANY the Lot of ground, obtained by the State of Illinois, within the City of Cairo, for a Depot, also the right of Way, Grading, Embankments, Excavations, Surveys, Work, Materials, Profiles, Plats and Papers described in the said Act of the Legislature, or in anywise appertaining to said Rail Road and Branches.

And Whereas, the Legislature of the State of Illinois, by an Act passed the 10th day of February, 1851, entitled "An Act to incorporate the ILLINOIS CENTRAL RAIL ROAD COMPANY," require that said Company shall, in addition to every thing included and conveyed in and by said Deed *in fee simple*, convey to the said Trustees, the Rail Road or Rail Roads, which may be built upon or along said Track or Tracks, line or lines, and materials for the construction thereof, with all and singular the Buildings, Shops, Engine Houses, Turn-outs, Stations and Real Estate of every nature and description, belonging or to belong to, or in anywise appertaining or to appertain to said Road and Branches. Now IN CONSIDERATION of the premises above recited, and fully to comply

with the requisitions of the Act of the Legislature of the State of Illinois, recited and copied into said Deed executed by the Governor of the State of Illinois, to the ILLINOIS CENTRAL RAIL ROAD COMPANY, and in consideration of the sum of One Dollar paid by the said MORRIS KETCHUM, JOHN MOORE and SAMUEL D. LOCKWOOD, to the said ILLINOIS CENTRAL RAIL ROAD COMPANY, the receipt whereof is hereby acknowledged. THIS INDENTURE WITNESSETH, That the ILLINOIS CENTRAL RAIL ROAD COMPANY, Hath granted, bargained and sold, and by these presents, do grant, bargain and sell to the said MORRIS KETCHUM, JOHN MOORE and SAMUEL D. LOCKWOOD, all the lands granted by the Government of the United States, under the Act of Congress referred to and copied in said Deed. Also the Lot of ground obtained by the State of Illinois, within the City of Cairo, for a Depot. Also the right of Way, Grading, Embankments, Excavations, Surveys, Work, Materials, Profiles, Plats and Papers, described in the Act of the Legislature of Illinois, or in anywise appertaining to the Illinois Central Rail Road and Branches, and also the Rail Road or Rail Roads which may be built upon or along said Track or Tracks, line or lines and materials, for the construction thereof, with all and singular the Buildings, Shops, Engine Houses, Turn-outs, Stations and Real Estate of every nature and description, belonging to or to belong to, or in anywise appertaining to said Road and Branches, for the uses and purposes directed in said Act of Incorporation, in the words following, that is to say :

“FIRST. To secure and guarantee to the State of Illinois, the first and prior lien on every thing conveyed by said Deed of Trust, of every name, character and description for security, as follows :”

Firstly. The Constructing, Completing and Furnishing said Road and Branches, in the manner and time and upon conditions in this Act, provided. *Secondly.* For the faithful application of all money or property arising from the sale of lands, or obtained upon the faith of the same, as hereafter authorized, to the constructing, completing, equipping and furnishing said Road and Branches, in accordance with the terms of this Act and said Act of Congress.

Thirdly. The indemnification of the State of Illinois against all and every claim of the United States Government, for proceeds of sale of lands made by said Company, under the provisions of this Act, in the event said Road and Branches shall not be completed as required by the Act of Congress above referred to. *Fourthly.* The lien hereby created shall take and have precedence of all

demands, incumbrances, mortgages, bonds, judgments and decrees, against said Corporation or said property, except so far as the absolute Power of selling said lands, or any portion thereof, as is herein provided for : **provided**, That in case Fifty miles of the said Road shall not be constructed, according to the provisions of this Act, within two years, from and after the date of the organization of the Company, under the same, the Bonds or money herein provided to be deposited with the Treasurer of the State of Illinois, shall become forfeited to and become the property of the said State, subject to the disposition of the Legislature thereof.

SECOND. That on its organization, said Company may enter upon, take and receive possession of the said Tracks or Lines, for the purpose of surveying, locating, working and constructing said Road and Branches, with the Right of Way, Land, Grading, Embankments, Excavations, Surveys, Work, Materials, Property, Profiles, Plats and Papers aforesaid, to be occupied, used and employed for the purposes contemplated by this Act, under whosoever control the same may be.

THIRD. That said Company shall proceed to locate, survey and lay out, construct and complete said Road and Branches, through the entire length thereof ; the Main Trunk thereof, or Central Line, to run from the CITY OF CAIRO to the Southern termination of the ILLINOIS AND MICHIGAN CANAL, passing not more than five miles from the Northeast corner of Township Twenty-one North, Range Two East of the Third Principal Meridian, and nowhere departing more than seventeen miles from a straight line between said City of Cairo and said Southern termination of said Canal, with a Branch running from the last mentioned point, upon the most eligible route to the City of Galena ; thence to a point on the Mississippi River, opposite the City of Dubuque, in the State of Iowa ; with a Branch also diverging from the Main Track at a point not North of the parallel of thirty-nine and a half degrees North latitude, and running on the most eligible route into the City of Chicago, on Lake Michigan. That the Central Road or Main Track shall be completed, with at least one line of Rails, or single Track, with the necessary Turn-outs, Stations, Equipments and Furnishings, within four years from the date of the execution of said Deed of Trust, and the Branches within six years from the said date ; said Roads to be made equal, in all respects, to the Road leading from Boston to Albany, usually known as the Great Western Railway, with such

improvements as experience shall have shown to be expedient ; the central or Main line to be first commenced, and to be continued to completion.

FOURTH. A portion of said lands, so conveyed to said Trustees, not exceeding one-fourth part thereof in value, to be designated by said Company, shall be held by said Trustees free from all incumbrances for purposes of sale, from time to time, on the requisition of said Company for the purpose of raising Funds for the payment of Interest on Loans, in case of deficiency from other sources, and for such expenditures as the exigencies of the business of the Company may require : **Provided**, That no portion of said fourth part of said lands shall be sold until said Road and Branches shall have been surveyed and located, and the work actually commenced on the Main Road : **Provided further**, That no portion of said lands so held by the said Trustees, free from all incumbrance for said purposes, shall be sold or offered for sale, until the said Trustees shall be satisfied that a sum of money has been actually expended upon the construction of a Section, of at least fifty miles of said Road, adjacent to said lands, equal in amount to the sum of money to be raised from the sale of such portion of said lands, or until a Section of at least Fifty miles of said Road, adjacent to said lands, shall have been completed, when the lands on said Section will be sold—and so on till the said Road and Branches shall be completed.

FIFTH. For the purpose of raising funds from time to time, for the construction and completion of said Road and Branches, and the purchase of Iron and other materials, to be used thereon, said Company may issue its Bonds, countersigned by the said Trustees, in sums of not less than Five Hundred, nor more than One Thousand Dollars each, at rates of Interest not higher than SEVEN per cent. per annum, payable semi-annually ; the Principal of said Bonds payable in the year one thousand eight hundred and seventy-five, or sooner, at the pleasure of the Company, at such place as it shall designate. The payment of said Bonds shall be secured by the Deed of Trust aforesaid, of said lands, Roads and Materials, as hereinbefore provided for ; which said prior lien shall be referred to and recited in said Bonds, so to be issued by said Company : **Provided**, That the faith of the State is in no wise pledged for the redemption of said Bonds to any extent. It being understood and agreed, that the said Company shall and will make, execute and deliver to the said Trustees, such proper Deed, Conveyance, Decla-

ration of Trusts, or other Assurance, as shall from time to time be necessary and proper, and as their Counsel, learned in the law, shall reasonably advise for the better carrying into effect the true object of this Indenture, and of securing by Mortgage, the payment of each and all of said Construction Bonds, in the manner and form in said additional Instrument to be fully and at large set forth and declared, with the same effect and certainty as if the provisions thereof had been embodied and set forth in this Indenture : **Provided however,** That nothing in said additional Instrument shall in anywise affect or impair the prior lien of the State of Illinois. To HAVE AND TO HOLD all and singular the above granted and described premises, with the appurtenances, to the said MORRIS KETCHUM, JOHN MOORE and SAMUEL D. LOCKWOOD, Trustees as aforesaid, and as joint tenants and not tenants in common, and to their successors, until all the uses and Trusts, hereinbefore set forth and declared, shall be fully and completely accomplished, and the said Trustees shall not, in any manner, be liable or responsible for any acts of each other to which they do not severally assent, and shall be accountable only for the exercise of reasonable diligence in the management of said Trust.

In Testimony whereof, The ILLINOIS
CENTRAL RAIL ROAD COMPANY have caused
[L. S.] their Seal to be hereunto affixed, and the Presi-
dent and Secretary have subscribed their names,
the day and year first above written.

ROBERT SCHUYLER,
President of Illinois Central Rail Road Company.

S. ALOFSEN,
Secretary of the Illinois Central Rail Road Company.

To the Directors of the ILLINOIS CENTRAL RAIL-ROAD :

The organization of the Company being now complete, by the performance of all the requirements of the Act of Incorporation, and by the receipt of official advice from the Executive of Illinois, that our acceptance of the Charter had been filed in the office of the Secretary of State within the period limited for that purpose ; your attention will be at once devoted to the measures necessary for the commencement of active operations.

The first duty will be to organize the Engineer Corps and to prepare such general instructions as you may deem necessary as to the Location of the line. On the main line, the location admits of a departure from an air line between Cairo and Lasalle, which gives a total width of country in which to place the road, of 35 miles. The Branches may be laid without local restrictions. The whole location may thus be considered as within your control, and you will only be guided by the known object which has influenced the State in confiding this great work to your care, that of the developement of its vast agricultural resources, by creating an easy and expeditious mode of reaching fertile lands now almost neglected by settlers, and of sending to market with promptness and at a small expense, the produce of these lands, which now can hardly be carried away from the farm upon which they are raised. You will locate your road among these rich agricultural districts, as far as may be consistent with the best interests of your enterprise.

The characteristics of your road will also be soon established in general terms. Your policy will probably be to obtain, immediately after location, the right of way of 200 feet in width, except in cases where circumstances may render it expedient to reduce this width, and to acquire as much land as may be considered ultimately necessary for the business of the road. The graduation, masonry, &c., will be prepared for a single line of rails, with about fifteen miles in every hundred of sidelings and branch tracks ; but in those parts of the line where the preparation for a second line of rails would involve the stoppage or interruption of the business of the first line, it will probably be prudent to embrace the work in the present construction. The rails you will decide to select of some known form,

and to weigh about 65 lbs. to the yard, and with such a superstructure as your Engineer may consider essential to the service to be required for your business.

It would be injudicious, at present, to submit an estimate of the probable cost of the whole Road and Branches, and your attention will be particularly devoted to the plans to be adopted for the best use of the lands and properties which have been given to the Company for the purposes proposed by the grants. To retain the lands in your actual possession until the increase of population caused by the facilities created by the Railroad shall have given to them a high market value, seems to be the most judicious course, and, therefore, it will be necessary, to avail yourselves of the authority given by the charter, to build the Road and Branches by the proceeds of Bonds to be issued for the construction charges, to be secured in the most perfect manner in your power. The details of this arrangement, as far as it has been matured, are now submitted.

DONATED LANDS.

The number of acres of land granted by the Act of Congress, depends upon the length of the Road and branches, but the quantity, for each mile of that length, will be 3,840 acres, being equal to one-half of six sections of 640 acres each, on each side of the Road, &c. As the probable length of the line; located to meet the best interests of the enterprise, will not be less than six hundred and seventy miles; the total number of acres passing under the act, will not be less than two millions five hundred and seventy-two thousand eight hundred (2,572,800) acres. The intention of Congress is clearly defined in the Act, and it may, therefore, be safely assumed, that the State will receive and pass to our Company not less than the number of acres above named.

The following appropriation of these lands is proposed :

2,000,000 acres. TWO MILLIONS of acres, to be mortgaged as security for the CONSTRUCTION BONDS, and to be retained from sale until the demand for lands near the line of the Railroad shall create a price at least equal to the minimum valuation which will be affixed to each class, into which this quantity shall be divided, after proper exploration and surveys.

250,000 acres. TWO HUNDRED and FIFTY THOUSAND acres, and the proceeds of the sales thereof, to be appropriated to the Interest Fund—to be selected by the Company with reference to the probability of early sales, and to remain with the Trustees free from incumbrance.

322,800 acres. THREE HUNDRED AND TWENTY-TWO THOUSAND EIGHT HUNDRED acres, or whatever number of acres may remain unappropriated, to remain with the Trustees, free from incumbrance, to be sold from time to time by the Trustees, upon the request of the Company, and at prices to be set upon the lands by them, to meet such demands as the exigencies of the Company may demand—as new tracks, sidelings, &c., but with the understanding, that if sold and applied to any purpose for which provision is intended to be made by the Construction Bonds, that this temporary application shall be replaced by the Construction Bonds as soon as practicable.

The Two Millions of acres to be mortgaged as security for the Construction Bonds, are to be divided into classes for valuation. The object and purpose of this classification will be shewn in stating the security for the Principal of the Construction Bonds. The number of acres of each class, also, can only be definitely determined by survey, but the following estimate of these several qualities can probably be nearly realized by careful selections :

400,000	acres are classed as INFERIOR AGRICULTURAL lands, and valued at \$6 per acre, making,	-	-	\$2,400,000
1,200,000	acres, classed as GOOD AGRICULTURAL lands, and valued at \$10 per acre,	-	-	-
		-	-	12,000,000
300,000	acres are classed as SUPERIOR AGRICULTURAL lands, and valued at \$15 per acre, making,	-	-	4,500,000
100,000	acres are classed as SPECIALLY VALUABLE, from some peculiarity of location, such as town or village sites, coal beds, stone quarries, minerals, &c., and are valued at an average of \$25 per acre,	-	-	2,500,000
<hr/>				
2,000,000	acres, forming an aggregate valuation of,	-	-	\$21,400,000

This it will be remembered, is not the valuation of an agricultural district, remote from market, and out of the line of emigration and settlement, but of one which will have been for years. before there can be any necessity of selling the lands, traversed by trains of freight and passenger cars, leading to the great markets of the South, the North and the East, by means the most sure, economical and expeditious, known to art and science. No one in the least familiar with the statistics of the growth of our Western Country, will probably question the position above taken, as to the *market value* to be realized for their lands at some *future day*, in advance of 1875, when the Construction Bonds fall due.

Construction Accounts to be paid from the Construction Bonds.

- 1.** Charter expenses for the charges connected with procuring the grants of land, charter, organization, &c.
- 2.** Expense of the Company for salaries, and all charges connected with the maintainance and management of all its corporate powers, inclusive of the compensation to the Trustees and Solicitors of the Company.
- 3.** Engineering for all the disbursements and charges of this department, &c.
- 4.** Right of way, damages, costs, counsel fees, compromises, &c.
- 5.** Graduation, Masonry, Iron, Superstructure, Carpenters' Work, Station Houses, Engine Houses, Machine and other Shops, Water Tanks and Aqueducts, Stores, Warehouses, and all works connected generally with building and equipping the Road and appurtenances, with a single line of rails, with turn-outs and sidelings, and double tracks equal to 15 miles in every 100 miles in length of the road and branches, as described by the Engineer in general terms.
- 6.** Equipment, engines, cars, furniture, and all charges in this department.
- 7.** Transportation service for stock and materials, wood, iron, spikes, timber, oil, waste, &c., and for advances for charges on freight, &c., say two hundred and fifty thousand dollars.

8. Interest for all warrants payable during the construction, inclusive of the semi-annual payment of interest next after the passage of an engine over the whole line of Road and branches, and for such Dividends of Interest on the Capital Stock as the Directors may order to be paid during the construction.

Construction Bonds, Tenor, Interest, Warrants, &c.

These Bonds to be payable on the first day of April, 1875, and to bear such rate of interest as the Directors shall order, from time to time, not exceeding seven per centum per annum, but the interest warrants of all the bonds to be payable on the first day of October and April in each year, until the principal be paid—both principal and interest to be payable at the office of the Company, in the City of New-York, unless otherwise provided in the bond. The Company to reserve the right to purchase their Bonds by agreement, at any time, with the holder, and may require any holder to deliver or surrender the Bond or Bonds held by him, by tender or payment of the principal, with the addition of TWENTY per cent. of the amount thereof, and the unpaid interest upon the original principal, to the date of the surrender or claim therefor. The holder of any Bond or Bonds may, at any time, use the same for the purchase of any mortgaged lands which may be open for sale at the time, at the rate or price named for the lands by the Company or the Trustees; in which case, the Bonds so used, shall be cancelled in the manner prescribed as to the sale of lands, &c. A register shall be kept at the office of the Company, in which Bondholders may enter Bonds for sale, and the Company will give preference in the purchase of Bonds to those entered in this Register, in selecting for purchase.

CONSTRUCTION BONDS.

Security for the Principal.

The Deed of Trust, already executed, contains some general provisions for the purpose of securing these Bonds. It is proposed to execute a further declaratory instrument or mortgage, in pursuance of a provision in the Deed of Trust, which will be of the same force and virtue as if it had been part of the original Deed of Trust. In this mortgage will be set forth all the special provisions and appropriations, by which the Company propose to secure most perfectly the principal and interest of the Bonds.

The Deed of Trust and the addition thereto, will create a lien in favor of the Construction Bond Holders, upon the following properties :

1. Upon the Railroad and Branches, with all their respective appurtenances of every kind and character, embraced within the term "Real Estate," but exclusive of the equipment of furniture, motive power and rolling stock.

The liability of this property will continue until the actual or presumed discharge of the last Construction Bond, and will form a security, always increasing in value with the growth of the country, while at the same time, the amount of the Bonds actually charged upon it, will be as constantly decreasing from the sale of the donated lands.

2. Upon not less than two million of acres of the land granted by Congress to the State of Illinois, and by the State of Illinois to our Company, and by us conveyed to Trustees as has been mentioned. These lands are all within fifteen miles of the Railroad, and of course within the reach of its facilities of transporta-

tion ; they are all held as Patent Titles, free from any and every tax, claim or shadow of title, and will be so set forth and described in the declaration to be added to the Deed of Trust, and the lists and schedules thereto annexed, as to preclude all uncertainties of location, description, &c., &c.

The same instrument will define the power and mode in which these lands may be sold by the Trustees, from time to time, as the Company shall direct, and especially will provision be made, compelling the Trustees to receive and cancel, as part of the actual consideration of each Deed or Sale, a Bond or Bonds nearest in amount to the true amount of the purchase money of the land conveyed, and to insert in the Deed the amount of cash received as part of the consideration, and the numbers and amounts of the Bonds received for the remaining part of the consideration, and also making it their duty to cancel these Bonds as soon as received, and to note upon them, respectively, such description of the land sold and conveyed for which they were received in payment as shall enable the Company at all times to trace and follow the same. It will also be made their duty to invest the cash received from sales, with all reasonable diligence, in the purchase of the Construction Bonds, and to cancel the same, and in case a purchaser of land may desire to surrender a Bond or Bonds next exceeding in amount the consideration of the Deed or Sale to him, then to pay such excess in cash, and to recite the same in the Deed, and to cancel the Bond or Bonds. The proceeds of sales will be thus constantly discharging Bonds, and every parcel of land cannot but be applied to the payment of the Bonds for which it has been made a security, and the aggregate sales will cancel the whole of the Bonds. Adequate security for this purpose will be made, by a proper classification of the lands and by putting upon each class a minimum valuation, such as will be more than adequate, in the aggregate, to discharge all the Bonds, and such as the Company and judicious men will not hesitate to adopt as a price which the lands will command at some time anterior to the maturity of the Bonds.

For these purposes the lands mortgaged for the Construction Bonds will be divided into four classes, as follows :

1. Specially valuable,—such as from any local cause, possess a value above lands for general agricultural purposes; as sites of towns and villages, mineral or coal lands, unusual timber, &c. These will be enumerated as far as practicable, and valued at a minimum price of \$25 per acre.
2. The farming lands esteemed of the highest value; valued at a minimum price of \$15 per acre.
3. The farming lands esteemed of ordinary value; valued at a minimum price of \$10 per acre.
4. The farming lands esteemed of the lowest value; valued at a minimum price of \$6 per acre.

These lands will be appraised and the present value ascertained as nearly as possible, but only as a criterion of their relative values, for by the remote period to which the repayment of the principal of the Construction Bonds is postponed, there can be no immediate necessity for the conversion of these lands into money. Hence the minimum valuations, *below which no parcel of land can be sold, as long as a Construction Bond is unpaid*, will be made of each of the four classes of lands, and thus all will be held by the Trustees and the Company; until the actual demand for any or all of them shall reach these minimum valuations at least. But it is not intended that the minimum valuation shall preclude a higher valuation at any time, though it will preclude sales at any price below the minimum, except that whenever the actual sales of any class of the mortgaged lands, shall have been applied under the previous provisions, to the payment and satisfaction of an aggregate amount of Construction Bonds, equal to the aggregate sum of the minimum valuations of said class—the

Company may sell and dispose of the residue of the lands of said class, at such price as they may deem proper, below the minimum valuation, but the manner of sale and application of the proceeds to the payment of Construction Bonds shall not be altered, changed or modified hereby.

By the condition of sale, which will render it necessary, as before stated, to cancel a Bond or Bonds on each sale nearest in amount to the purchase money, it is evident that the proportion of the lands to which each bond would be entitled, can never be essentially disturbed, and that each Bond will retain, until its maturity, the same relative security upon the lands as it had when issued.

This SECOND security then appears to be adequate at some date before the maturity of the Bonds, to discharge them all, and thus render the holder morally sure of receiving his money independently of any reliance upon the first and principal security, THE ROAD ITSELF. In this connection it may be proper to notice two peculiar characteristics of these Construction Bonds.

1. That a provision is made for *payment* of them, by means separate from the road. Bonds of Railroad Companies are issued generally on a mortgage of the Road only, and unless paid from an increase of the Capital Stock, are only *renewed* by new loans and new negotiations, which have been found, in some cases, of much difficulty and uncertainty.
2. That each Bondholder preferring to reduce the security which he holds in common with all others protected by the Trust Deed, to an *individual possession*, may make his own selection of lands from among all which may at the time be on sale, and use the Bonds he holds, in payment of the purchase money; being precisely the same process as that of foreclosure of a mortgage and the purchase of the mortgaged property.

The Company are strongly impressed with the belief that their Construction Bonds are secured, as to the principal, beyond all question, and that the most cautious capitalist will so consider them. They also believe, that from this strong confidence in the security of the principal, and the effect of the punctual payment of the interest (the security for which will be shown below,) the holders will soon demand a premium, which will advance as the actual demand for lands near the Railroad increases. From this belief, a provision has been inserted in the Bonds, authorizing the Company to purchase them for the purpose of supplying purchasers of land, upon the best terms to be obtained in market, until the premium shall reach **TWENTY PER CENTUM** advance upon the principal, and then to require any holder to sell his Bond or Bonds to the Company at that high rate of premium.

CONSTRUCTION BONDS.

Security of the Interest and Appropriations for its Payment.

The interest accruing on the Construction Bonds, will, of course, have the same security by the Deed of Trust, and other instruments as the principal of those Bonds. The construction accounts, (Art. 8,) will include all the interest warrants becoming due up to the time before named. When the construction of the Road and branches, as described by the engineer, &c., shall be complete, the current earnings will form the proper and usual source from whence the means are to be supplied to meet the current interest. But the current charges of the service from which the gross receipts have accrued, must be first paid and the obligations of the Company to the State must also be first discharged. The following appropriations are proposed.

The receipts from the Transportation Department, and from all incidental sources connected with the service on the line are appropriated as follows :

1. To the payment of all current charges, such as wages, repairs of Road, rolling stock, &c., as usual, and to cover such annual depreciation as shall maintain the rolling stock equal to its original valuation, and to such additions as may be made thereto from capital accounts, but not inclusive of new and additional equipment, except on special order of the Directors, after full provision for the payment to the State and for the interest: including, however, all such expenses of the incorporation as may be ordered specially as a current charge.

2. To the payment of the State duty or tax not over seven per cent. of the gross receipts.
3. To the payment of the full amount of Interest Warrants as they semi-annually mature.
4. To the payment of such Dividends as the Directors may order from time to time, to be paid to the Stockholders, or to such other appropriation as the Directors may order.

By this appropriation of the receipts of the road, full security is given for the proper application of earnings, and it is probable that by a judicious arrangement of the service, an amount sufficient to defray the interest on all the Construction Bonds will be earned from the time the line is put in operation. But to remove all grounds of apprehension as to a deficiency of receipts at the commencement of the business of the Road, an INTEREST FUND, from which such deficiencies are to be supplied, will be created and maintained, as follows :

1. By the appropriation to this Fund of any profit which may be realized by the operation of such parts of the Road and branches as may be ready for use before the completion of the whole line.
2. By the appropriation of the proceeds of sales of 250,000 acres of the Donated Lands, set aside for this purpose, and held by the Trustees free of incumbrance.
3. By the appropriation of the entire amount of the present capital of one million of dollars, and of the proposed increase of another million of dollars, and of all the instalments called in, or to be called in, from time to time, upon this Stock, but it is not intended by this appropriation to exclude the further issue of Capital Stock, to the extent limited by the charter, for any purpose to which the Directors may deem it judicious

to make such increase, always providing against any preference or benefit, to such increased Capital over the Stock hereby appropriated.

It will be the duty of the Directors so to invest and manage this Fund as to make it ready convertible into cash, to prevent any delay in the payment of the Interest Warrants. The interest to accrue upon this Fund will be annually appropriated as part of the Fund to the payment of any deficiency which may happen in that year; and should there be no deficiency, will be subject to the order of the Directors.

For the purpose of payment of any deficiency, the drafts will be made as follows :

1. On the current interest of the Interest Funds.
2. On the invested profits of partial operation, &c.
3. On the proceeds of the sales of lands.
4. On the Capital Stock of Two Millions of Dollars, as above appropriated, when it will be the duty of the Directors in case the Stock be not full paid, to require payment of instalments, at least adequate to the preservation of the integrity of the Fund.

By these arrangements, together with such other provisions as further consideration and actual experience may suggest, you will give full security to your Construction Bonds. The Act of Congress granting the lands, and the Act of Illinois to incorporate the Company, both confer ample powers for the execution of these arrangements, and both bind you most closely to the faithful use of your powers, and the true and honest appropriation of the lands to the construction of the Road. At the same time, it is to be remembered that your powers are not only created by legislation, but are also MATTERS OF CONTRACT, set forth at length in carefully drawn Deeds, executed by the proper

authorities, under the Great Seal of the State of Illinois, and are thus made secure against injudicious enactments, (should such measures ever be in contemplation) and placed under the care of the COURTS and LAWS of the UNITED STATES.

Respectfully submitted,

ROBERT SCHUYLER, *President.*

NEW-YORK, April 23; 1851.

To the DIRECTORS of the ILLINOIS CENTRAL R. R. Co.

In the Report of April last, I submitted for your consideration the Financial Plan proposed for the Loans to be negotiated for the construction of your Road. Since that time, a wide circulation has been given to that Report, and the opinions of many of the best informed residents of the Western States upon it, have been furnished to us, and it is with much gratification that I state that the position we assumed, that the mortgaged land would reach a market price equal to and beyond the necessary amount of the Construction Bonds, anterior to the maturity of those Bonds, has been very strongly supported. In some cases our minimum valuation, has been considered far too low for even the advance in value in ten years after completion of the Road, but scarcely a doubt has been expressed by any one as to the great and important point, of the ADEQUATE VALUE OF THE MORTGAGED LANDS TO THE FULL DISCHARGE AND SATISFACTION OF THE MORTGAGE DEBT. I submit herewith the letters received from gentlemen in the West, whose interest in the developement of the incalculable agricultural advantages of Illinois has induced them to reply to our circulars, and to give the benefit of their judicious observation and familiar acquaintance with the effect of affording facilities of communication to the lands of Illinois. Under all the testimony thus received, supported by many verbal communications, you are justified in assuming that your Financial Plan proposes to the purchasers of your Construction Bonds PERFECT AND ENTIRE SECURITY from the PUBLIC LANDS alone.

No important alterations have been suggested as to the provisions by which the Construction Bonds were to be secured either as to the Principal or Interest, and it may, therefore be presumed that in all these particulars the plan proposed is entirely satisfactory.

In the month of May, R. B. MASON, the Engineer in Chief, organized the several companies necessary for the primary surveys and final location of the Road and Branches. Some delay in prosecuting these surveys has arisen on the Southern part of the line, and consequently the Report of the Chief Engineer having been submitted in an unfinished condition, is not yet prepared for publication. It is full of minute and detailed Statements, of great value and interest to the Directors, but it will now only be in my power to place before you some of Mr. Mason's conclusions and some of his estimates and calculations.

Mr. Mason has passed over the routes of the Main Road and Branches, not only for the purpose of a proper reconnaissance of the formation of the country, but also of ascertaining the general character of the lands to be received from the United States on the several routes which may be selected. He reports most favorably of the fertility and agricultural value of the regions in which he proposes to locate the Road, and particularly notices the very small proportion which might be considered as embraced within the class denominated in our Report as "Inferior Lands." In consequence of this opinion, it is suggested as advantageous, to transfer from that class of the lowest valuation, one hundred thousand acres to the class next in valuation, consisting of lands of the Uniform excellence pervading the whole State of Illinois.

The demand for the purchase of the Government lands within the influence of our Road has become exceedingly great, and pre-emption entries for the sections not passing under the grant of Congress, have been made to a vast amount, and even several entries for the same land are not uncommon. A like demand will exist for all the lands belonging to our Company, as soon as they are placed on sale, promising not only an early conversion of those lands into money, and an immediate demand for the Construction Bonds, but also the actual settlement and cultivation of the entire districts through which our Road is located, by the

time of its completion and operation. So immediately do the farms of Illinois become productive to the settler, that large crops are harvested within a year or two of the commencement of cultivation, and by the time our trains are in motion, a vast amount of business from lands now vacant and unoccupied will be in readiness for us. These considerations point out the vast importance of such arrangements as will enable you to sell your lands at the earliest possible period at which they can be made to produce the amount, for the payment of which they are to be mortgaged, and therefore to reduce the minimum valuations to the lowest rate. The rates were made in the Report of April, under the impressions, then existing, as to the cost of the Road, as well as the probable period when the lands would be in demand. It is now believed that the demand will arrive at a much earlier day than originally supposed; and fortunately, also as far as now appears, the cost of the Road will probably be less than was then estimated.

The lines which have been surveyed by the Engineer Corps has been numerous and the country has been thoroughly explored. Mr. Mason condenses these surveys into the following statement of the characteristics of the Road and Branches :

The entire length of the Road and Branches, miles 699.

Of which will be straight line, miles 626.77

“ Radii from 1500 to 2000 feet, “ 5.40

“ “ “ 2000 to 3000 “ “ 12.28

“ “ “ 3000 to 4000 “ “ 24.26

“ “ “ 4000 to 5000 “ “ 15.66

“ “ over 5000 “ “ 14.63

miles 699.00

Shewing about 10 per ct. of curved lines, and those mostly of large radii.

The general appearance of the country is found to be somewhat deceptive as to the inequalities of the surface,

and the great depth of the beds of the streams and rivers, and of the meadows adjoining, below the level of the Praries, required the introduction of occasional grades of the ordinary elevation of the Railroads of this section of the country, though more than one-third of the road for all general purposes is practially level.

The gradients are as follows :

Level,	-	-	-	miles	238.29
Ascent less than 10 feet per mile,				"	113.09
" from 10 to 20 feet per mile,				"	118.19
" " 20 to 30	"	"	"	"	89.05
" " 30 to 40	"	"	"	"	132.48
" of 42	"	"	"	"	7.50
Total miles,					699.00

The 42 feet grade occurs in ascending the Fever River, from Galena East to Scales Mound, and may probably be reduced to the maximum grades on other parts of the line, (40 feet) without heavy expense.

Mr. Mason's personal examinations of the country and the line of the Road, have enabled him to prepare an estimate of the cost of the work, with all the necessary appurtenances and equipment, which he submits "with the fullest confidence that it will be found ample to meet every expense in the construction and equipment of a first class Road." This estimate includes the cost of the following items:

21,428,523	cubic yards	Embankment,
369,951	"	" Rock Excavation.
222,206	"	" Masonry.
10,228	feet	Bridging, &c., &c.
735	miles,	Superstructure, Rails, &c.
40		Passenger Stations and houses.
40		Freight Stations and Houses.
70		Locomotives and Tenders.

70 Passenger	Cars.
20 Baggage	"
700 Box Freight	"
600 Platform	"
200 Cattle	"

and also Right of Way, land and damages, fencing and engineering, Engine houses, Machine Shops, Woodsheds, Water Tanks, Tools and Machinery for shops, and Furniture for Station houses, &c., &c. The result exhibits a cost of Sixteen Millions Five Hundred and Thirty-seven Thousand Two Hundred and Twelve Dollars, (\$16,537,212.)

Mr. Mason's Report establishes the actual length of the Road and Branches at six hundred and ninety-nine miles, by which the whole number of acres to be granted to the Company will amount to Two Millions, Six Hundred and Eighty-four Thousand, One Hundred and Sixty Acres (Acres 2,684,160.)

The estimate of the cost of the Road and Branches, now submitted, justify the conclusion that the total amount of the Construction Bonds which it will be necessary to issue for the purposes to which they were appropriated by the Report of April last, will not exceed Seventeen Millions of Dollars. It has, therefore, met the approbation of the Executive Committee to advise the Directors to execute a Mortgage on Two Millions of Acres of the Public Lands granted to our Company, to secure Ten Thousand Bonds of One Thousand Dollars each, and Fourteen Thousand Bonds of Five Hundred Dollars each, making the sum of Seventeen Millions of Dollars. By this reduction of the amount of the Construction Bonds, as well as by the considerations before stated, lower minimum valuations of the several classes of the mortgaged lands are justified and have been arranged as follows:

1. First class, consisting of lands of SPECIAL VALUE, from peculiarity of location, as near Town or Village sites, Coal fields, Quarries of Stone, Minerals, &c., &c.
50,000 Acres minimum valuation \$20 per acre, \$1,000,000
 - 2 Second class, of lands of SUPERIOR AGRICULTURAL QUALITIES and LOCATION.
350,000 Acres minimum valuation \$15 per acre, 5,250,000
 3. Third class of lands of high AGRICULTURAL QUALITIES, almost universal in the State of Illinois.
1,300,000 Acres, minimum valuation \$8. per acre. 10,400,000
 4. Fourth class of lands of the LOWEST AGRICULTURAL QUALITIES, within 15 miles of the Road or Branches, but all capable of cultivation.
300,000 Acres, minimum valuation \$5 per acre. 1,500,000
-
- Forming an aggregate minnum valuation
of 2,000,000 acres of \$18,150,000

The plan for securing the payment of the Construction Bonds remains, in other respects substantially without alteration, and herewith is submitted the draft of the mortgage proposed to be executed to the Trustees holding the title of your lands. The provisions of this important Instrument are in pursuance of the system which pervades your Financial Plan, of affording to those who furnish the money for the accomplishment of your enterprise, all the security of the results proposed by the proper application of the Funds to the construction of the Road and Branches and all the property which you have received in its aid. Should the negotiations, which will soon be commenced with capitalists abroad, require further provisions, these may at all times be added by a further mortgage of like efficiency with the present.

I submit herewith an essay upon the position and prospects of the "ILLINOIS CENTRAL RAIL ROAD," written and published by D. A. NEAL, Esq., now your Vice President. This essay embodies the valuable conclusions of a most practical mind, enriched by long and close observation as to the COMMERCIAL VALUE OF YOUR ENTERPRISE. The writer labors constantly to reduce rather than enlarge each source of probable revenue to the Road, and on the other hand to provide most liberally by the service to be performed in earning the revenue, and his conclusions, therefore carry conviction to every mind.

From all quarters are the views and estimates of Mr. Neal fully confirmed, and it would be in vain to attempt to prepare statements upon this branch of your affairs, better suited to give reliance upon the income of the Road when finished, than those now submitted. Mr. Neal's estimates result in a net income to the Company, after payment to the State of an interest of seven per centum per annum on between twenty-eight and twenty-nine Millions of Dollars.

Mr. Mason has also prepared very careful estimates of the probable income of the Road, and though his aim has been not to overvalue any source of business, and to omit all questionable traffic, yet his conclusions reach nearly the same results to which Mr. Neal arrived. Mr. Mason's estimates are as follows :

From 373,333 tons Produce, carried 100 miles at \$4 per ton,	\$1,493,332
" Coal,	100,000
" Lumber,	150,000
" 12,520 tons through freight at \$12 per ton,	150,240
" 62,600 " local " " \$5 " "	313,000
" 31,300 through Passengers, at \$10,	313,000
" 15,650 " " Galena Branch, at \$10,	156,500
" Local Passengers,	469,500
" Mails and Expresses,	95,000
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Gross Income,	\$3,240,572
Deduct State Tax at 7 per cent. \$226,840	
Cost of operating, 1,126,800	
Contingent, 112,680	
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	1,466,320
	<hr/>
Net Income,	\$1,774,252

Net income of One Million Seven Hundred and Seventy-four Thousand Two Hundred and Fifty-two Dollars, equal to an Interest of seven per centum per annum, on between Twenty-five and Twenty-six Millions of Dollars.

These results, it will be remembered, are those of practical men, perfectly conversant with the laws which govern the traffic of Railroads, to which each has arrived without consultation with the other, and both with a single purpose of affording the most reliable information to you and the public. That the earliest operations of your Road will more than realize all the anticipations of these gentlemen and of yourselves I have no question.

In the course of a short time, Mr. Mason will be enabled to report the precise location of the Road and Branches, when the actual selection of the Public Lands will be made at the Land Office in Washington, and the several parcels be certified to the State of Illinois, and the title to each parcel will then be perfect in your Trustees under the Deed from the Governor. By the same time, unless at an earlier day, the lines will be ready for contracts of construction, and the work be commenced at several points.

Respectfully submitted,

ROBERT SCHUYLER,

PRESIDENT.

NEW-YORK, Sept. 12, 1851.

MORTGAGE

THE ILLINOIS CENTRAL RAIL ROAD COMPANY

TO

MORRIS KETCHUM, JOHN MOORE and SAMUEL D.
LOCKWOOD.

This Indenture of Mortgage, made the thirteenth day of September, in the year of our Lord one thousand eight hundred and fifty-one, BETWEEN THE ILLINOIS CENTRAL RAILROAD COMPANY, a Corporation created by an Act of the Legislature of the State of Illinois, approved on the tenth day of February, in the year of our Lord one thousand eight hundred and fifty-one, of the first part, and MORRIS KETCHUM, of the City, County and State of New-York, and JOHN MOORE and SAMUEL D. LOCKWOOD, of the State of Illinois, being the Trustees named in the said Act of the Legislature of the State of Illinois, of the second part, WITNESSETH; **Whereas**, The parties of the first part, for the purpose of raising funds from time to time, for the construction and completion of the Railroad and Branches authorized by the provisions of the said Act of Incorporation, and for the purchase of iron and other materials to be used therein, and for the expenses of the organization and maintainance of the said corporation and compensation of the Officers, Agents, Trustees, Engineers, and other necessary assistants, propose to execute and deliver their Construction Bonds or obligations in pursuance of the provisions of the Act aforesaid, and thereby to become indebted to divers persons, bodies politic or corporate, who shall become holders of the said Construction Bonds or obligations, in the just and full sum, in the aggregate, of Seventeen Millions of Dollars, lawful money of the United States of America, secured to be paid by their Ten Thousand Construction Bonds or obligations of and for One Thousand Dollars each, and by their Fourteen Thousand Construction Bonds or obligations of and for Five Hundred Dollars each, providing for the payment unto the said persons, asso-

ciations, bodies politic or corporate, and their executors, administrators, successors, survivors and assigns respectively, of the said sums of one thousand dollars and five hundred dollars, named in said Construction Bonds or obligations respectively, on the first day of April, which will be in the year One thousand eight hundred and seventy-five, (1875,) and also interest for the same, at and after the rate of seven per centum per annum, payable on the first day of every October and April, ensuing the date of the said Construction Bonds or obligations, until the principal sums named in said Construction Bonds or obligations respectively, shall be severally paid and satisfied, in the manner and form in the said Construction Bonds or obligations set forth and declared, as by reference thereto, will more fully appear.

Now therefore, THIS INDENTURE WITNESSETH ; That the said parties of the first part, for the better securing and more sure payment of the said sums of money mentioned in the said Construction Bonds or obligations, and each and every of them, with interest thereon, according to the true intent and meaning thereof, and also, for and in consideration of the sum of one dollar, in hand paid by the said parties of the second part, at or before the ensealing and delivery of these presents, the receipt whereof is hereby acknowledged : HAVE granted, bargained and sold, remised, released, conveyed and confirmed, and by these presents, Do grant, bargain and sell, remise, release, convey and confirm unto the said parties hereto of the second part, and the survivors and survivor of them, and the heirs and assigns of such survivor forever, ALL and singular the several pieces or parcels of land, being the Roadway, Stations and Depots of the Railroad of the said parties of the first part, from the Southern terminus of the Illinois and Michigan Canal, to the City of Cairo, and all and singular the station and depot buildings, Engine Houses, and other improvements and constructions thereon now made, or hereafter to be made.

And also all and singular the several pieces or parcels of land, being the Roadway, Stations and depots of the Branch Railroad authorized by the said Act of Incorporation, commencing at a point in the main Railroad aforesaid, being the point of Intersection of the line of the Main Railroad, with the Northerly line of Township Two North, one East, in the County of Marion, near the Third Principal Meridian, and running thence to the City of Chicago :

AND ALL AND SINGULAR the Station and Depot Buildings, Engine Houses and other improvements and constructions thereon, now made or hereafter to be made.

And also, All and singular, the several pieces or parcels of land, being the Roadway, stations and depots of the Branch Railroad authorized by said Act of Incorporation, commencing at the Northern terminus of the Main Railroad, and the Southern terminus of the Illinois and Michigan Canal, and running by way of the City of Galena to a point on the Mississippi River, opposite the town of Dubuque, in the State of Iowa, and all and singular the Station and Depot Buildings, Engine Houses and other improvements and constructions thereon, now made or hereafter to be made : TOGETHER with all and singular the emoluments, income and advantages, rights, franchises, tenements, hereditaments and appurtenances to the above described premises, and each and every of them belonging, or in any wise appertaining.

And also Two Millions of Acres of land and premises situated, lying and being in the State of Illinois, adjoining and adjacent to the above described Railroad and Branches, parts and parcels of the lands which were granted to the State of Illinois, by the Act of Congress of the United States, approved the twentieth day of September, one thousand eight hundred and fifty, entitled "An Act granting the right of way and making a grant of land to the States of Illinois, Mississippi and Alabama, in aid of the Construction of a Railroad from Chicago to Mobile," and by the State of Illinois granted and conveyed in fee simple to the parties hereto of the first part, by Indenture bearing date the twenty-fourth day of March, one thousand eight hundred and fifty-one, duly executed by the Governor of said State, "in his official capacity, and in behalf of the State of Illinois, and under the Great Seal thereof," as by reference thereto, or the record thereof, will more fully appear, which Two Millions of acres of land hereby intended to be conveyed, are to be selected by the parties to this Indenture of the first part, and specially set aside and appropriated to the purposes of this mortgage, and proper Schedules and Lists thereof prepared, approved and confirmed, under the corporate seal of the parties of the first part in Duplicate, and properly annexed to this Indenture so as to give to the same the effect of a particular and detailed description of each separate piece or parcel of land set forth in this Indenture :

TOGETHER with all and singular the emoluments, income and advantages, tenements, hereditaments and appurtenances thereunto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof : AND also, all the estate, right, title and interest, property, possession, claim and demand whatsoever, at law or in equity, of the said parties of the first part, of, in and to the same, and each and every part and parcel thereof, with the appurtenances : To HAVE AND TO HOLD all and singular the lands and premises hereby granted, or intended so to be, and each and every part and parcel thereof, with the appurtenances, unto the said parties hereto of the second part, and the survivors and survivor of them, and the heirs and assigns of such survivor forever, as joint tenants and not as tenants in common, for the uses and purposes in this Indenture set forth and declared, and subject to the provisions and requirements of the before mentioned Act of Congress of the United States, and the Act passed by the Legislature of the State of Illinois, incorporating the said THE ILLINOIS CENTRAL RAIL ROAD COMPANY, and subject also to the possession, control and management of the Directors of said Company, so long as said Construction Bonds or obligations shall remain unforfeited, by the proper performance of all the stipulations thereof.

Provided always, And these presents are upon the express condition, that if the said parties of the first part, shall well and truly pay or cause to be paid to the holders of the said Construction Bonds or obligations, and every of them, the principal sums of money therein mentioned, according to the true intent and meaning thereof, with the interest thereon, at the times and in the manner as hereinafter provided, according to the true intent and meaning of these presents, that then and from thenceforth this Indenture and the Estate hereby granted, shall cease, determine and be utterly void.

And this Indenture further witnesseth : That these presents and the said Construction Bonds or obligations are made, executed and delivered upon the terms, conditions and agreements following, that is to say :

FIRST. That the actual possession, use, management and control of the said Railroad and both Branches, with all the appurtenances to them belonging, shall be and remain with the parties of the first

part, without any molestation or interference of the parties of the second part, so long as the said Construction Bonds or obligations shall remain without default or forfeiture, and said parties of the first part shall perform and keep the stipulations thereof.

SECOND. That the Two Millions of acres of land granted as aforesaid, shall be carefully valued and appraised by the said parties of the first part, their Officers and Agents, and the relative value of each piece or parcel of land, established for the purpose of Division and Allotment thereof into Four Classes of the following Number of acres and valuations, that is to say :

1. First Class, consisting of lands of SPECIAL VALUE, as Coal Fields, Quarries of Stone, Minerals, &c., or from peculiarity of location, as being near towns or villages.
50,000 acres minimum valuation \$20 per acre, \$1,000,000

 2. Second Class, of lands of SUPERIOR AGRICULTURAL QUALITIES and LOCATION.
350,000 acres, minimum valuation \$15 per acre. 5,250,000

 3. Third Class of lands of high AGRICULTURAL QUALITIES, almost universal in the State of Illinois.
1,300,000 acres, minimum valuation \$8 per acre, 10,400,000

 4. Fourth Class, of lands of the LOWEST AGRICULTURAL QUALITIES, within fifteen miles of the Road or Branches, but all capable of cultivation.
300,000 acres, minimum valuation \$5 per acre, 1,500,000
-
- Forming an aggregate valuation for
2,000,000 acres of \$18,150,000
-

All of which the said parties of the first part, with as little delay as practicable, shall certify and declare to the said parties of the second part, by proper Lists and Schedules, under seal, with such description as shall enable the parties of the second part to ascertain and establish the precise location, position and boundaries of each and every piece or parcel of said land, and the class to which the same belongs, and the price or sum for which the same may be sold and conveyed; which price or sum may be varied and changed, from time to time, at the pleasure of said parties of the first part. **Provided however,** That the selling price of any piece or parcel of land shall in no case be less than the minimum valuation of the same hereinbefore given, and of the class to which it is allotted, until the aggregate sum actually realized and received in money, or by the surrender of Construction Bonds or obligations, as hereinafter provided, shall amount to the aggregate valuation of any of the classes above set forth and declared, when the said parties of the first part may instruct and empower the said parties of the second part to sell and convey any remaining pieces or parcels of land of said class, at such price as they may deem proper, even below the minimum valuation of the class, but not to alter or change the mode of selling, or the appropriation of the proceeds and receipts from such sales.

THIRD. That the said parties of the second part having received from the said parties of the first part, such said Lists, Schedules, Allotments, Valuations and selling prices, shall and will grant, bargain, sell and convey to all persons, bodies politic or corporate, applying for the purchase of the lands and premises above mentioned, making or tendering payment therefor, at prices not less than the selling rates established by the said parties of the first part, and shall require in payment the surrender of Construction Bonds, or Bond, nearest in amount to the actual purchase money and consideration of the conveyance, and the payment of the residue of said purchase money in cash; but in no case shall any piece or parcel of land be sold or conveyed by the said parties of the second part, without the surrender and consequent discharge of said Construction Bonds or Bond. And whenever any purchaser may tender Construction Bonds or Bond, exceeding in amount the purchase money of the land for which application is made, the parties of the second part may receive the same and pay the excess, (provided the same does not exceed two hundred and fifty dollars in any one case,) in

money to the purchaser: the intent thereof being thereby to anticipate the payment of said Construction Bonds or Bond, by the sale and conveyance of said land, in manner aforesaid.

FOURTH. That the said parties of the second part shall and will cancel and discharge each and every Construction Bond or obligation, and the Interest warrants thereon, which they may receive in payment for land, and as part or the whole consideration of each Deed or sale, by defacing the seal of the Corporation, on receipt thereof, and will make, or cause to be made, on or upon the face thereof, a note or memorandum, with proper description of the land sold and conveyed, with the date of the conveyance, for which the same has been received and cancelled, in such manner and form as will enable the parties of the first part to trace and follow the appropriation of all the said Construction Bonds.

FIFTH. That the said parties of the second part, shall and will set forth and declare, in each and every Deed of Conveyance, the true amount of the purchase money of the land and premises conveyed, or intended to be conveyed thereby, and the part thereof for which a Bond or Bonds may have been received, with the number and amount thereof, and also the sum actually paid in cash for the residue and remainder of said purchase money, and also whenever a Bond or Bonds exceeding the amount of the purchase money may have been received in payment thereof, the amount in cash actually refunded to the purchaser, or holder of said Bond or Bonds for such excess.

SIXTH. That the Interest Warrants of said Construction Bonds or Obligations, becoming due and payable during the progress of the works of construction, and up to, and inclusive of the Warrants for the semi-annual interest, becoming due and payable next after the completion and actual use of the Main Railroad and Branches, shall be paid from and out of the proceeds and avails of the said Construction Bonds or obligations, as part of the cost of said Road and Branches; but that all Interest Warrants becoming due and payable thereafter, when the said Railroad and Branches shall be put in operation, shall be paid from and out of the receipts and income from the use and operation of the Road and Branches, unless

the same be inadequate thereto, which receipts and income are to be appropriated and applied to the following purposes, and in the following manner :

First. To the payment of all current charges, such as wages, repairs of Road, rolling stock, &c., as usual, and to cover such annual depreciation as shall maintain the rolling stock equal to its original valuation, and to such additions as may be made thereto from capital accounts, but not inclusive of new and additional equipment, except on special order of the Directors, after full provision for the payment to the State, and for the interest : including, however, all the expenses of the Incorporation, which may be ordered specially as a current charge.

Second. To the payment of the State duty or tax as imposed by the Charter :

Third. To the payment of the full amount of Interest Warrants, as they semi-annually mature :

Fourth. To the payment of such dividends as the Directors may order, from time to time, to be paid to the Stockholders, or to such other appropriation as the Directors may order.

SEVENTH. That the said parties of the first part shall and will create, set aside, and preserve an Interest Fund, as further and collateral security for the punctual payment of all the Interest Warrants of the said Construction Bonds or obligations, at the times when the same severally become due, and payable, in manner following, that is to say :

First. By the appropriation to this Fund of any profit which may be realized by the operation of such parts of the Road and Branches as may be ready for use before the completion of the whole line :

Second. By the appropriation of the proceeds of sales of two hundred and fifty thousand acres of the donated lands, set aside for this purpose, and held by the Trustees free from incumbrance :

Third. By the appropriation of the entire amount of the present Capital of One Million of Dollars, and of the proposed increase of another Million of Dollars, and of all the Instalments called in, or to be called in, from time to time, upon this stock ; but it is not intended by this appropriation to exclude the further issue of Capital Stock, to the extent limited by the Charter, for any purpose to which the Directors may deem it judicious to make such increase, always providing against any preference or benefit to such increased capital over the stock hereby appropriated.

EIGHTH. That the said parties of the first part shall and will manage and invest the Interest Fund in such manner as will render the same at all times readily convertible into cash, to prevent any delay in the payment of the Interest Warrants, should the provisions heretofore made and declared be at any time inadequate for that purpose, and for the payment of any deficiency, will use and appropriate the said Interest Fund, in the following manner :

First. The current interest of the Interest Funds.

Second. The invested profits of partial operation.

Third. The proceeds of the sales of lands.

Fourth. The Capital Stock of Two Millions of Dollars, as above appropriated, when it will be the duty of the Directors, in case the Stock be not full paid, to require payment of instalments, at least adequate to the preservation of the integrity of the Fund.

And this Indenture further Witnesseth, That the said parties of the first part, for themselves and their successors, do covenant and agree to pay unto the holders of the said Construction Bonds or obligations, respectively, the said principal sums of money therein respectively mentioned as above, and as expressed in said Bonds or obligations, according to the true intent and meaning thereof. And that if default shall be made in the payment of the interest upon the said Construction Bonds or obligations, so that a sum equal to one year's interest on the whole amount of the said

Construction Bonds or obligations actually issued, and secured by these presents, or if default shall be made in the payment of the principal of said Construction Bonds or obligations, that then and from thenceforth it shall and may be lawful for the said parties of the second part to enter into and upon and take possession of all and singular the said Railroad and Branches, and all the property included, or intended to be included in this mortgage, and also all the Engines, Tenders, Cars, Carriages, Tools, Machinery and Materials, in any way belonging or appertaining to said Road and Branches, then owned by said parties of the first part, in the same manner as if the same had actually been included in and held by this Indenture of Mortgage ; and that the said parties of the second part shall and may, by themselves, their officers and agents, take, receive and collect the income and profits of said Railroad and Branches, first applying the same to the payment and discharge of all the current expenses of said Railroad and Branches, and their needful repairs, and next to the payment of the Annual Tax to the State of Illinois, as provided in the Act of Incorporation, and then to the payment of the interest and principal of said Construction Bonds or obligations, in such manner as they may deem proper.

And further, That the said parties of the second part, having entered into full possession of said Railroad and Branches, and all the equipments thereto belonging, as before provided, may proceed to sell and dispose of the same, and all and singular the lands hereinbefore particularly set forth and described, remaining unsold at the time of such entry, if any there be, and also each and every piece or parcel of land and premises, parts and parcels of the land granted by the State of Illinois to the said parties of the first part, conveyed by indenture bearing date the twenty-fourth day of March, one thousand eight hundred and fifty-one, to the said MORRIS KETCHUM, JOHN MOORE and SAMUEL D. LOCKWOOD, as Trustees, and which have not been and are not intended to be included in this Indenture of Mortgage, which may then remain unsold, and in the possession of the said Trustees, in the same manner as if said lands had been included in these presents, and mortgaged for the purposes herein set forth and declared ; and may make such sale of the said premises, each and every of them, and all benefit and equity of redemption of the said parties of the first part therein, at Public Auction, giving reasonable and public notice of the time and place of said sale, and particularly to the Governor of the State of Illinois,

for the time being, by special notice, in writing, under their hands, and to be personally delivered to him, and as the Attorney of the said parties of the first part for that purpose, by these presents, duly authorized, constituted and appointed, to make and deliver to the purchaser or purchasers thereof a good and sufficient Deed or Deeds of Conveyance in the law for the same, in fee simple, and good and sufficient Transfers and Assignments of such personal property, and out of the moneys arising from such sale and sales, to retain the Principal and Interest which shall then be due on said Construction Bonds or obligations, for the benefit of the holders thereof, together with the costs and charges of advertisement and sale of said premises, rendering the overplus of the purchase money (if any there shall be,) unto the said parties of the first part, their successors and assigns: which sale shall forever be a perpetual bar, both in law and equity, against the said parties of the first part, their successors and assigns, and all other persons claiming or to claim the premises, or any part thereof, by, from, or under them, or either of them.

And it is hereby mutually agreed, by and between the parties to these presents, that the said parties of the second part, their heirs, executors or administrators, shall not be answerable for the acts, omissions or defaults of each other, and that each shall be responsible for gross negligence and wilful defaults only.

And it is further agreed, That the said parties of the first part, their successors, and all and every person or persons whomsoever lawfully or equitably deriving any estate, right, title or interest of, in or to the premises hereinbefore granted, by, from, under, or in trust for them, shall and will at any time or times hereafter, upon the reasonable request and at the proper costs and charges in the law of the said parties of the second part, their heirs and assigns, make, do and execute, and cause to be made, done and executed all and every such further and other reasonable acts, conveyances and assurances in the law for the better and more effectually vesting and confirming the premises hereby granted or intended so to be, in and to the said parties of the second part, their heirs and assigns forever, as by the said parties of the second part, their heirs or assigns, or their Counsel, learned in the law, shall be reasonably devised, advised or required.

IN WITNESS WHEREOF, The said parties of the first part,
 THE ILLINOIS CENTRAL RAILROAD COMPANY, have
 caused their Corporate Seal to be hereunto affixed, and
 these presents to be signed by ROBERT SCHUYLER, their
 [L. S.] President, and the said parties of the second part, the
 said MORRIS KETCHUM, JOHN MOORE and SAMUEL D.
 LOCKWOOD, have hereunto set their hands and seals, the
 day and year first above written.

THE ILLINOIS CENTRAL RAILROAD COMPANY.

ROBERT SCHUYLER, [L. S.]
President

Sealed and delivered in the presence of

ATTEST,

S. ALOFSEN,

Sec'y Ill's. Central R. R. Co.

STATE OF NEW-YORK, CITY AND COUNTY OF NEW-YORK, ss. :

Be it remembered, That on this twenty-third day of June,
 A.D., one thousand eight hundred and fifty-two, before me, William
 McMurray, a Commissioner, residing in said City and County, duly
 commissioned by the Governor of Illinois to take acknowledgment
 and proof of deeds and other instruments in writing, under seal, to
 be used or recorded in said State of Illinois, personally came
 Robert Schuyler, President of the Illinois Central Railroad Com-
 pany, to me known, who being by me duly sworn, did depose and
 say : that he resides in the City and County of New-York, that he
 is the President of the Illinois Central Railroad Company ; that
 he knows the Corporate Seal of said Company ; that the seal affix-
 ed to the within conveyance, is the Corporate Seal of said Com-
 pany, and that he signed his name thereto, by like order, as
 President of said Company.

In witness whereof, I have hereunto set my
 [L. S.] hand and official seal, the day and year aforesaid, at my
 office, No. 44 Wall-street, in the City of New-York.

(Signed)

WILLIAM McMURRAY,

*Commissioner, &c., of the State of Illinois,
 for the City of New-York.*

Illinois Central Rail Road.

ITS POSITION AND PROSPECTS:

For the purpose of aiding the construction of "a Railroad from the southern terminus of the Illinois and Michigan Canal to a point at or near the junction of the Ohio and Mississippi Rivers, with a Branch of the same to Chicago, on Lake Michigan, and another via. the town of Galena to Dubuque, in the State of Iowa," the Congress of the United States, by an Act, approved September 20, 1850, granted to the State of Illinois,

1st. The right of way 200 feet wide, through the public lands, and of taking necessary materials of earth, stone, lumber, &c.

2d. Every alternate section of land, designated by even numbers for six sections in width on each side of said Road and Branches, or if any such have been sold, so much land most contiguous to such sections and not exceeding fifteen miles from the line of the Road as shall be equal to those sold.

By an Act of the Legislature of the State of Illinois, passed the present year, Robert Schuyler, George Griswold, Gouverneur Morris, Franklin Haven, David A. Neal, Robert Rantoul, Jun., Jonathan Sturges, Thomas W. Ludlow, John F.A. Sandford, Henry Grinnell, William H. Aspinwall, Leroy M. Wiley and Joseph W. Alsop, and such persons as shall hereafter become Stockholders, were created a body politic and corporate, under the name of the Illinois Central Railroad Company, with all necessary powers and privileges

for constructing and maintaining the Railroad and Branches, contemplated in the Act of Congress aforesaid, and for this purpose, the right of way, and all the lands that may be selected along the line of said Road and Branches in the State, under the grant in said Act, together with a right of way over and through lands belonging to the State, and all the rights and materials heretofore acquired by the State for the same objects, are ceded and granted to said Corporation, on condition that such Road shall be built in four, and said Branches in six years, and that when built and in operation, seven per cent. of the gross income shall be paid to the State in lieu of all taxes levied for State purposes. The lands thus granted are to be placed in the hands of Trustees, three-fourths for the security of any Bonds issued by the Company, and one-fourth to meet any deficiency from other sources, for the payment of interest, or contingencies. The Capital Stock is fixed by the Act, at one million of dollars, which may be increased at any time to an amount not exceeding the entire expenditure on account of the Road.

The Illinois Central Railroad Company has been organized, the Capital Stock subscribed, and twenty per cent. of it paid in ; all the conditions of the Charter have been complied with, and all the deeds, grants and trusts executed. Engineers are employed in selecting a route and the donated lands, which will amount to 3840 acres for each mile of road, or in the aggregate, (the Road and Branches being assumed at 670 miles) 2,572,800 acres.

It is proposed to meet the cost of construction by the issue of Bonds, payable in 1875, bearing interest not exceeding seven per cent. The security for the principal will be —1st, the Road itself ; and 2d, two million acres of the donated lands. The security for the interest will be first, the Capital Stock ; 2d, the Income of the Road ; 3d, two hundred and fifty thousand acres of the land specially appropriated.

The lands will be valued at prices that will more than cover any possible amount required for construction, but which, it is believed, will be fully realized before the period of the maturity of the Bonds. These Bonds may, at any time, be surrendered and any land on sale claimed in lieu of them at the appraisement. None of the lands appropriated for their security, can be disposed of, except on the simultaneous surrender or payment of Bonds to an amount equal to their appraisal. That appraisal of the two millions of acres mortgaged for their security, that is, the price under which they will not be sold, and to which it is expected they will advance at some time previous to 1875, will be so arranged, as soon as they are selected and their character known, as to produce the following averages.

400,000 acres ordinary agricultural lands \$6,	\$2,400,000
1,200,000 acres good agricultural lands \$10, -	12,000,000
300,000 acres superior agricultural lands \$15,	4,500,000
100,000 acres town sites, mineral lands \$25,	2,500,000
<hr/>	
2,000,000	\$21,400,000

To enable the Company to meet the demand for these lands at any time, short of the period of the maturity of the Bonds, the right to anticipate their payment has been reserved, but only on condition of giving one hundred and twenty dollars for every hundred so taken up.

During the time occupied in the construction of the Road, the interest on the outlay will be included in its cost. Immediately on its completion, the Income, after paying current expenses and State tax, will be of course applied to this object. If it should not, at first, be sufficient, the earnings from any partial use of the road, before its entire completion, the whole capital stock of the Company, and the entire proceeds of sales of 250,000 acres of land set aside for this purpose, will form a fund that will be ample under any contingency.

The basis of this enterprise is founded both on National and State Legislation. The powers delegated are ample, the titles are perfect. It is of its merits as a public work, of its capabilities as a great thoroughfare, of its success as a commercial operation, and its consequent estimation as a medium of investment, that I now propose to make some remarks.

If to make two blades of grass grow where but one grew before, be worthy the high commendation of the philosopher and patriot, it will not be deemed an act altogether unimportant or useless to the country to open to the approach of industry, millions of acres of the most fertile soil the sun ever shone upon, and to make available at once, the alluvial deposits of countless ages. An enterprise that will thus bring into use wealth heretofore buried, that will lighten the burthen, while it will increase the rewards of labor, that will add to the resources of the poor, and offer new and valuable investments to the rich, will hardly want friends, when such pretensions shall be established. The construction of a Railroad traversing in its whole length the State of Illinois from Cairo, where the waters of the Mississippi and the Ohio meet, bearing on their surface the various productions of the North and the South, of the East and the West, to the vast mineral regions of Galena in the North West, and to Chicago, the emporium of the commerce of the great Lakes at the North East, will, it is believed, accomplish these objects. Its practicability, with the means at the disposal of its projectors and friends, is an important consideration. This, it is evident, must mainly depend on the ultimate value of the work when completed, and of the effect on the property which forms the basis of all its financial operations. The value of the work may be estimated by the use that can be made of it, or rather by the extent of production to which the ability to use it will give birth. The sources of income will be found,

1st. In the produce of the mines and forests, for these furnish articles ready for use, and of general consumption everywhere.

2d. In the produce of the soil, which requires easy and cheap transportation to induce as much as it does sunshine and rain, to perfect its cultivation.

3d. In the supplies requisite to those who may be engaged in occupations connected with or incident to the two abovenamed branches of business.

4th. In the movements of the same persons for purposes of business or pleasure.

5th. In the transit of persons and goods between points beyond the limits of the State, for which the route will afford the most convenient and expeditious passage.

6th. In transportation of mails and expresses, and in other miscellaneous operations.

Having settled these points with as much precision as the nature of the case admits, it will be easy to estimate the value of the Road as an investment, and consequently as a security *per se* for the means necessary to construct it. If it cannot be shown that it will yield some income beyond its current expenses, no one will probably take the trouble to carry on the enterprise, and consequently no means will be required for its construction. If, therefore, these means are sought, it will be proof that its projectors believe it will be of some intrinsic value. It may be more or less, or they may be altogether mistaken.

If the latter be not the case, then the property which they receive for carrying out the plan, must also be worth something. How much, will depend on the demand for it, and the demand will be proportionate to the number of persons who may be induced, by the prospect of success, to cluster about it. We come back then to the great question of *population*. In estimating what it may be some four or five or six years hence, in the region to be traversed by this or any other Road, we have the same lights to guide us that are always used by prudent men in their daily operations.

The merchant embarks in a well known traffic, with confidence, because he knows the number and wants of his customers. The manufacturer trusts, without question, the most valuable material in the hands of the operative, because he believes, that in its new form it will have acquired a new value, from the fact that there are people whose comforts will be increased by its use. The farmer casts his seed into the ground, with little doubt of eventful re-payment, not only in the crops which must ensue, but in his ability to exchange them for other things of which he has more need. So, if we offer a richer soil and greater facilities for disposing of its produce, than can be found elsewhere, we may fairly calculate on drawing to it a portion of the vast body of men that are always in motion, seeking rest, and competence and wealth, and just in proportion as are the inducements, will be the rapidity of its settlement and the value of the property. How rapid it will be, and how great the appreciation, we can judge when we know the whole case from analogy and experience. These are the true prophets. No man can be called speculative in the opprobrious sense of the term, that bases his operations on these as a foundation, and legitimately forms his opinions, and acts on them, from an accurate knowledge of facts and of their ordinary effects. In doing this, however, we should weigh carefully all the conflicting circumstances, give no heed to the dictates of interest or the fascinations of a favorite theory. On the contrary, we should always assume that there will be difficulties we have not discovered, and some points on which we have been deceived by false information or misled by specious pretensions.

In presenting the following views and estimates, I have not only endeavored to keep within these rules, but to make more than ample allowance for any possible contingency.

The geographical character of the State of Illinois has not been favorable to a rapid developement of its resources. The Mississippi forms its entire western boundary, and the Ohio and Wabash, its southern and eastern. It is intersect-

ed but by one navigable river, the Illinois. It has but one harbor on the Lakes, Chicago. A large portion of the State is without wood. A much larger portion of it is without roads, or the means of making them. Its streams are the only practicable routes for heavy transportation, and they are frozen in winter, and almost dry in summer.

Its financial position has not been, for several years past, of such a character as to invite an increase of population. With a view to counteract the actual disadvantages mentioned, an extensive system of internal improvement was very early projected by the State Government, but the only results were unfinished works, enormous debts and heavy taxation.

Such, however, is the extraordinary richness of its soil, the ease with which it is cultivated, and the enormous returns it yields for the labor bestowed upon it, that the number of its inhabitants has been steadily progressive, and has now reached between 8 and 900,000, and fifteen to the square mile. The adverse circumstances which have retarded its prosperity no longer operate to the same extent, and will soon disappear altogether. Her Canal is completed, her debt in process of liquidation, and her finances rapidly assuming a position that will no longer require the imposition of heavy taxes to sustain her credit and restore her reputation. But beyond anything else, the construction of Railroads will, in the course of four or five years do more for Illinois, than the discovery of its sierras of gold has done for California. The National Government has acted with a true regard to its own interests, in passing the Act granting to the States of Illinois, Mississippi and Alabama, alternate sections of the public lands, twelve miles in width, whenever and wherever they would construct a Railroad that should commence on the Gulf of Mexico, and terminate at the Lakes, and on the head waters of the Mississippi. The portion allotted to Illinois, in this work, extends from Cairo, at the junction of the Mississippi and Ohio Rivers, to Chicago, on its north-eastern, and to Galena on its north-western boundary.

The peculiar formation of this tract of country, makes it, perhaps, more than any other in the world, *the place* for the location of Railroads. Its topographical character is extremely favorable to their construction. On its vast prairies the levels are already formed. The embankments and ditches may be made by turning the sods from the sides to the centre. There are but few streams to cross, no rocks to blast, no mountains to perforate, and no valuable estates through which to purchase at enormous rates, the right of way. The difficulties are all of an inferior grade. The want of material at hand for the the purposes of masonry, construction of bridges, and ballasting the Road way, will be obviated by laying the track on the banks made from the side drains, and transporting on it the rock, wood and gravel, required, and which, from the great distance between the points where they are found and where they are wanted, could be done in no other way. The very low cost of Railroads already completed in Illinois, fully sustain the fact of the great facilities which the nature of the country affords for their construction. It is probable they can be built at less cost here than in any other part of the globe. It is certain they will do comparatively more good. *Any where* they are better than rivers. *Every where* they increase wealth by facilitating the means of acquiring it. But here they open access to a country through which no river runs, and from which no river can now be reached. They develope resources that must otherwise have remained hidden from human sight, and beyond the grasp of human hands.

Aware of the importance of introducing this engine of prosperity into their State with the least possible delay, the Legislature of Illinois wisely decided to transfer the boon offered by the General Government, to any responsible party that would undertake the enterprise, reserving to itself a fair share of the profits to be derived from it, and tendering to it all the protection which the broad seal of the State, and the solemnity of a contract capable of being enforced in the Supreme Court of the United States, could

give. The original gift and its subsequent transfer will, we trust, prove to be in fact, a deed of beneficence, blessing those who gave and those who received it.

The Association, to whom the grant has been made by the State of Illinois, have received all waters, land, materials, privileges, rights of way, gradings, embankments, surveys, property, profiles and papers, belonging to the State, and necessary for the purpose of constructing the Road, free of cost and expense, subject to their control and for their use forever.

The Road to be built is restricted only to within seventeen miles each side of a straight line from the city of Cairo to the Southern terminus of the Illinois Canal, which line is nearly coincident with the third principal meridian, thence a branch by any convenient route to Galena. From a point in about the latitude of 39.30° North latitude, will diverge the branch to be built to Chicago. The Main Line to be completed in four years, the Branches in six. No taxes to be levied until the road is completed; then in lieu of all other taxes the Company are to pay seven per cent. of the gross earnings of the Road, as already stated. The donated lands consist of every alternate section designated by even numbers, for six sections in width on each side of the Road as it may be located, or if any of these have been sold, then an equal quantity may be taken, from contiguous tiers of sections anywhere within fifteen miles of the line.

Under this grant, the Road will be located through the most fertile prairies, the most valuable forests, and the richest mineral lands in the State; but these have been neglected by settlers in consequence of the utter impossibility of getting their productions to market. Until the Illinois Central Rail Road Company shall have selected their lands, the Books of the General Land Office in Washington are closed against entries in this region, and when opened, the price is to be double that of the other lands. The Company are, therefore, fully protected. They have

organized under their charter, all the Deeds and necessary documents have been executed by the Governor of the State, the Trustees, and its own officers. The whole stock has been taken, and twenty per cent. been paid in, in cash, and the same deposited with the State Treasurer of Illinois, to be returned on completion of fifty miles of the Road. Robert Schuyler, Esq., of New-York, a gentleman more conversant with and more largely interested in Rail Roads than any other person on the Western Continent, has been chosen President, and Morris Ketchum, Esq., of the very wealthy and well known house of Ketchum, Rogers & Bement, Treasurer of the Association. R. B. Mason, Esq., of the New-York and New Haven Rail Road, has been appointed Chief, and he has engaged seven resident and a large corps of assistant Engineers, who have proceeded to Illinois to locate the Road and select the donated lands. The system devised for procuring the means of building this road by the *sale* of Bonds, and for the *payment* of them *when* or *before* they become due, is unique in its character and provisions. It is believed to afford not simply entire security for the current interest and redemption at maturity, but a strong probability of a great advance in value, in consequence of the peculiar conditions annexed to the sale of the property which forms a branch of the collateral security embraced in the plan.

The length of the Road and Branches will probably not be less than 670 miles, which will entitle the Company, as before stated, to an aggregate donation of 2,572,800 acres. No estimate of its cost has been attempted, for no particular survey of the whole route has yet been made. It is said that \$15,000 per mile is the highest that any Road (allowing for heavy T rail,) has as yet cost in Illinois; \$20,000 per mile would require about \$14,000,000. It is intended to use the strictest economy, consistent with the construction of a good, substantial Road. It is also intended to pay for every thing with cash. There are various reasons besides for believing that this Road will be built for comparatively little money; but as ample security will be

offered for any possible sum that may be required it is unnecessary in this connection to go into any detail on that subject.

The Bonds will be dated April 1, 1851, with Coupons attached, at rate of interest to be hereafter agreed on, not exceeding seven per cent. It is desirable to negotiate at once, (if practicable,) for enough to ensure the building of the Road, but to be paid by instalments as wanted.

The first security for these Bonds that will be offered, will be the road itself. To render this satisfactory, it must be shown with a reasonable degree of certainty, that it will pay its current expenses, taxes and interest on the capital invested. There will be within fifteen miles of the line of this Road, upwards of 12,000,000 acres of land. It is adapted to the cultivation of any kind of grain, but particularly Indian corn, of which it is said it produces 60 a 70 bushels to the acre, and to be inexhaustible. There are at various points on the Road, large quantities of bituminous coal. There is one field of peculiarly good quality near Danville, about 120 miles from Chicago, from which all the shore towns and steamers of Lake Michigan may be supplied. Another, 50 miles from Cairo, which may supply the demand for steamboats, both on the Ohio and Mississippi. A large part of Illinois, especially that distant from the banks of the rivers, is destitute of forests. Chicago is the great depot for the lumber of both Michigan and Wisconsin, and it can always be obtained here in any quantities at low prices. Cairo is at the head of navigation for the large steamers of the Lower Mississippi, and the place of transhipment from them to the vessels of lighter draft, and vice versa, both of passengers and freight. Frequently the rivers above are impeded with ice, swollen from freshets or impassible for want of water. The Illinois Central Rail Road will furnish a rapid communication with and through the central, most fertile and most healthy portions of the State. Its means of transportation will be ample, uninterrupted and safe. It will be completed

probably in four years from the time of its active commencement.

One mode of increasing the population of the country will be the mass of laborers that must be introduced to build the Road. The amount paid to workmen alone, employed in grading, will not probably be less, on an average, than \$6000 per mile. Assuming the wages at \$1 per day, and the road $666\frac{2}{3}$ miles long, we have 4,000,000 days' work—or divided among four years, 1,000,000 per annum—and supposing 250 working days in the year, we require 4000 men to be constantly at work. With the prospect of so long a job, large numbers of them will have their families with them, and thus add at least 50 per cent. to the number. With them will naturally be brought those who look for profit in supplying them. An immediate market will be introduced for small farmers all along the line, who will clear their land in a single year from the disposal of their surplus produce. Three-fourths of the money expended in constructing the road, will remain in the country, or be remitted to Washington, in payment for Government lands. Settlers will thus have an unprecedented opportunity to make themselves not only owners of the soil, but establish themselves with comfort and independence for life. This will arrest the tide of immigration at this point. It will be known throughout Europe, as the spot where labor is in demand, wages good, pay prompt, living cheap, and farms paid for from the profits of a single crop. By these means this strip of thirty miles in width, or parcel of 20,000 square miles of country, will soon become spotted with an industrious population.

But these will not be the only means, nor agriculture the only inducement for drawing settlers to this region. Where the ground produces so exuberantly, the greater part of its productions must find a foreign market. The corn grown by the Irish immigrant, now raised to the dignity of landed proprietor, will go to feed his relatives and friends in the old country. The hemp rotted in the waters of the Illinois and Kaskaskias, already almost the only kind used

in the Eastern States, will meet and compete with, and put down the product of the Serf labor of Russia, in the London market. The beef, pork and lard of the Prarie, will not only feed all the inhabitants between the Mississippi and the Atlantic coast, but will crowd, more than ever, the docks and rise in higher piles on the quays of Liverpool. The immense flocks, for which this portion of the country is already becoming celebrated, will supply the mills that are found on every stream in New England, at a cheaper rate, and with a better article, than that for which they have till latterly sent and still do to some extent send their ships to gather in the extreme corners of the earth. The returns for these substantial items of food and raiment must consist of all the variety of comfort and luxuries which the hard working laborer requires, and which the prosperous farmer will have. This interchange of commodities must employ many heads and many hands. It will cause the establishment of stores, villages, towns and cities. These will be connected by earth roads, and plank roads and rail roads. Churches and schools will spring up in every direction. It will be the reverse of the country of the poet, "where wealth accumulates and men decay." Men grow happier and better where wealth increases from their own exertions, where industry is sure to give them competence and enterprise will secure abundance.

But for our present purpose, these pictures, which are too true to nature in our Western country to be considered anything more speculative than is the plan of the architect, who has his materials ready purchased, and his contracts ready drawn, these may be entirely dispensed with, we may, if we can, crowd ourselves down to the idea that this region, now about to be emancipated from its native wildness, will crawl along, so that at the end of four or five years, it will have attained a population no greater than the present average of the whole State. Even then there will be dependent on this road for their supplies, and for the sale of their produce, at least 300,000 persons, each one of whom will be located somewhere within 18 miles of a Station on the Illinois Central Rail Road.

Under the circumstances and with the advantages that have been thus alluded to, can there be a doubt that the Road will be sustained and pay, even the first year it may be put in operation, a liberal income on its cost? It is hard to conceive a state of things in which such must not be the case. As this however is an important matter, it may be as well to descend to particulars, and in doing so, I will assume there is to be no progress, no incentive, no enterprise; that no spirit is to be awakened, no impulse given by the outlay of millions of money, and no advantage taken of the millions of acres of the richest soil in the world, located in the absolute centre of the United States, which will be thrown before the thousands that are daily flocking to these shores for the very purpose of gaining a foothold and freehold in our country. The calculations will be based simply on what would *now* be the business of the Road, if it were completed, and supposing it to have the advantage of only the present average density of population in the State and conceding to its industry but the least probable amount of productiveness.

The first source of income to this Road, it has been already stated, would be found in the produce of the mines and forests, in other words in the transportation of coal and lumber. Coal of a bituminous character is found in many places in Illinois. Two fields of very superior quality will be found intersected by this Road or its Chicago Branch, one about 50 miles from Cairo, the other 120 miles from Chicago. It is not probable that any considerable quantities will be exported from Cairo, because the coal from the Ohio being contiguous to its banks, can be delivered on shipboard for less money. It will, however, be wanted by every steamboat that touches at that place, and the convenience and facility with which it may be furnished from the Road, will ensure that custom. In 1850, it is stated that 1,500 arrival of steamboats were chronicled at Cairo. These boats require from 5 to 30 tons of coal or an equivalent in other fuel every day they are under steam. I am not well advised on this subject, but suppose a supply to each boat

on an average of three days or fifty tons, would be considered small. This, however, would require an import of 75,000 tons per annum, for this sole object. How much would be carried north for the supply of the inhabitants is still more problematical. From the mines, near Danville, Chicago, and all the towns on Lake Michigan, would draw their supplies of coal to more advantage than from any other source. So, also, could all the steamers navigating that Lake. It will surely be safe to estimate all this at 75,000 tons more. The average transportation will be over 75 miles, and the lowest rate would be \$1½ per ton, which would amount to \$225,000. The interior counties of the State have no timber, while those to which the coal will be carried can supply lumber and wood to any amount. The southern portion of Illinois has fine forests. At Dubuque or its vicinity, are saw mills, which are amply supplied from Minnesota. Chicago is well known as the great lumber depot of the Lakes, taking most of its supply from the adjoining State of Wisconsin. The Rock Valley Railroad terminating here, passes through vast forests of white pine. Now in the Prairie lands of Illinois, through which the Central Rail Road, will be carried for a large part of its whole distance, every article for building, fencing and fuel must be drawn from one or the other of the above sources. The cars, therefore, carrying coal, as well as those carrying produce to Chicago, will find employment on their return trips, in the transportation of timber. The gross income from the use of them cannot be set down at less than \$300,000.

The second source indicated from which the Road is to be sustained, is "the produce of the soil." The transportation of Indian corn and other grains will be the important business of this Road. Their production will in time be limited by the capacity of the road to carry it off. In an estimate of this sort then, it may be safe to neglect all other kinds of produce or rather consider them as merged into the one article of maize, or Indian corn. We have already restricted ourselves to a population in the district of country

lying within fifteen miles of the Rail Road, to the density of the whole State, by the census of 1850, or fifteen to the square mile. There will be, as before stated, 20,000 of such miles, and the number of inhabitants will be of course, 300,000. A large portion of these will be male adults, but taking the usual calculation of five to a family, we have 60,000 families. Deducting again one-sixth for other employments, we have then 50,000 families presumed to be engaged in the cultivation of the soil. Now it cannot be doubted, I think, that ten families can easily till and take care of 1000 acres of Indian corn in Illinois, by an interchange of labor. It is as certain that the land will give 50, 60 and 70 bushels to the acre. This gives an average of 100 acres of cultivated ground, and 6000 bushels of corn to each family. But to be sure not to overtask the powers of the people, or of the soil, we reduce both one-half, 50 acres, and 30 bushels per acre, giving to each family 1500 bushels. Of this, suppose one-third to be used in the family and on the farm and wasted. There remains 1000 bushels. As a portion of this may be represented by less bulky and more valuable articles, we again reduce it one-third to get at the weight that will require transportation to a market. This leaves $666\frac{1}{3}$ bushels of corn, or an equivalent in other things, and which multiplied by the number of families, gives equal to 33,333,000 bushels of Indian corn. The usual mode is to estimate 33 bushels to the ton. At $33\frac{1}{3}$, it gives 1,000,000 tons. The average distance which it would have to be transported to a market could not be less than 100 miles, and the price would be low at five cents per ton per mile. This would give \$4,000,000.

3d. The returns that will be made to the producers of this large amount of property must bear some proportion to it in value and in bulk. If the corn nets but 15 cents per bushel, it will give to each family \$100, and to the 50,000 families \$5,000,000. To keep within bounds, we will suppose that exclusive of the lumber by the coal and other trains, only one-eighth of the outward tonnage is returned in supplies. This would give the Road, at the

enhanced rate which such goods would bear, (say 4 cents per ton per mile,) or \$5 per ton, \$625,000.

4th. The local travel of this same population will be an item of some importance. They must be considerably scattered, and if they associate at all, they will use the Road. Each head of a family will have his own produce to dispose of, and that will require his presence at the market towns. Now, if each family averages five journeys of 60 miles each, or 300 miles per annum for the whole household, it will cause the Road to carry one passenger 18,000,000 miles, which at 3 cents per mile, is five hundred and forty thousand dollars. This would amount to nine dollars for each family per annum. If we reduce it one-half, there can be little doubt of the other half being made up and much more than made up by the other local passenger and freight business, such as those living without the line of twelve miles, of citizens of other States visiting the stations, and the thousand occasions for trips from the termini to the interior. It seems safe, then, to let this item stand.

5th. The through travel, which will consist of all passengers passing over the Road, or any part of it, on their way to and from other States. There is a great tide of travel from the South and West, that has heretofore ebbed and flowed regularly Northerly and Easterly in early Spring, and Southerly and Westerly in Autumn, impelled by business or pleasure, or both. Various channels to accommodate this mighty current have been or will be provided. The principal of these are :

1. The Southern line of rail roads, steamboats and stages, through Virginia, the Carolinas, Georgia, and Alabama.
2. The Baltimore and Ohio Rail Road intended to be constructed to Wheeling on the Ohio River.
3. The Pennsylvania Rail Road and the Ohio Central from Philadelphia to Pittsburg, thence by one line to Lake Erie, and by another through Columbus and eventually to Vincennes and St. Louis.

4. The Erie Rail Road to Dunkirk, thence by the Lake Shore Roads to Toledo, thence by Southern Michigan to Chicago.
5. The Hudson River Road, connecting with all the Albany and Buffalo Roads, terminating at Buffalo, or Niagara Falls, thence by the Great Western Rail Road through Canada West to Detroit, thence by the Michigan Central to a junction with the Illinois Central at or near Chicago. At Buffalo also, passengers for the West, take steamboats for Detroit, or direct for Chicago.

Now all these routes, except the two first, though to a degree competing among themselves, will disgorge their Southwestern freight and passengers upon the Illinois Central, which will in turn benefit them, by affording the quickest and best line from the Atlantic to New-Orleans. When the Mobile and Ohio, the Illinois Central, the Great Western and the Hudson River Rail Roads shall be completed, the distances and time of passenger trains will be :

New-York to Albany,	.	.	144 miles,	5 hours,
Albany to Niagara,	.	.	300 "	11 "
Niagara to Detroit,	.	.	229 "	10 "
Detroit to Michigan City,	.	.	227 "	10 "
Michigan City to Cairo,	.	.	400 "	16 "
Cairo to Mobile,	.	.	500 "	20 "
			<hr/>	<hr/>
			1800	72

all by Rail Road, and without change of baggage from the crates. If this can be approximated, and there is no reason why it should not be reached, no route between the East and the West, either by sea or land can successfully compete with it. But supposing all this is imagination, and assuming all the present difficulties of this route to continue, snags in the rivers, explosions of the boilers, break down of the machinery, cholera in the vessel and quarantines on shore,

we shall find few who will estimate the present travel over the roads and streams for which the Illinois Central route will be the substitute, at less than than 250 weekly each way, averaged through the year on each and every part of them. But suppose this number only pass over 400 miles of the Road, they will travel 10,400,000 miles, which at 3 cents per mile, will give \$312,000. In this same class of business must be included the transportation of merchandise from points beyond the termini of the Road. As the route will be the shortest, safest and quickest between the West and the East, it will be likely to secure almost all the valuable goods imported or manufactured by the Atlantic States for the supply of the great Valley of the Mississippi, but in return, little except specie can be expected. Putting the amount at 20,000 tons both ways, and the rate at \$10 per ton, gives us \$200,000.

6th. *Transportation of the Mail.* As this will be the most expeditious route, the least exposed to delay and danger, and will connect with all the important lines of Rail Roads and Steamboats, it should be entitled to the highest rate of compensation allowed by law. Placing it, however, in the second class, the amount would be at least \$67,000 per annum. If we add for expenses, parcels and miscellaneous, \$31,000, we close our estimate of probable Income, making the total amount as follows :

150,000 tons coal carried 75 miles each,	Gross income	\$225,000
150,000 " lumber " 100 " " " "		300,000
1,000,000 " produce " 100 " " " "		4,000,000
125,000 " merchandise back " " " "		625,000
60,000 passengers (local) 300 " " " "		540,000
26,000 " (through) 400 " " " "		312,000
20,000 tons thro' freight 400 miles each " "		200,000
		<hr/>
		6,202,000
Mails &c., - - - - -		98,000
		<hr/>
		\$6,300,000

To transport the above, 258,000,000 tons of merchandise or individual passengers must have been carried one mile, estimating each ton of merchandise outward as two, but not estimating anything for the return freight, and putting the expenses at one cent per ton, or per passenger carried one mile, the cost is \$2,580,000 and leaving a Net Income of 3,720,000 less 7 per ct. of Gross Income, 440,000—leaves 3,280,000 or an interest of 7 per cent. on nearly \$47,000,000. It is, however, an amount of business that could not be performed on a single track, and with the depot accommodation, such as we presume the Company will have prepared at the outset. The statement, however, seems to show that there will be as much business as can be well managed when the Road is first opened. It may, therefore, be proper to show what can be conveniently done with a single track, and what equipment will be required to do it.

It may be set down as an axiom in Rail Road management, that it should be prepared to do every day and any day double its annual average. Thus, if the whole tonnage of the 313 working days in the year be 313,000 tons, or an average of 1000 tons per day, the road should be prepared always to take 2000 tons, because it may at any time be called on to do so. But to do this, it is evident it must have an equipment sufficient, not simply to carry this amount, but also sufficient to allow for cars and engines detained, as they may be from several causes. If not thus provided it cannot adapt itself to all the variations of trade.

I suppose the Company could conveniently enough operate the Road as follows—daily and each way :

1. One freight train from Dubuque to the point of deviation
(in 39 deg. 30 m.) of the Chicago Branch, 260 miles
2. One passenger train, do. 260 “
3. One freight train, half-way between Junction
and Dubuque, say 130 “

4. Two freig't trains from Junction to Cairo, say	174 miles
5. Five freight trains from Junction to Chicago,	226 "
6. One coal train from mines to Cairo, . . .	54 "
7. One " " Danville to Chicago,	120 "
8. 1 pass. train, Cairo to Chicago, accomm'n.	400 "
9. One " " express,	400 "

These trains will require, for actual use, the following equipment and will run the distances annexed:

							Miles per annum.
1.	60	Double freight cars, and	4	locomotives, making	188,760		
2.	20	Pass'r cars, 60 seats each,	4	" "	188,760		
3.	60	Double freight cars, and	2	" "	81,380		
4.	120	" " " "	4	" "	217,840		
5.	240	" " " "	16	" "	565,904		
6.	100	Single coal cars,	2	" "	33,804		
7.	160	" " " "	2	" "	75,120		
8.	20	Passenger cars, 60 seats,	8	" "	250,400		
9.	20	" " " "	8	" "	250,400		
					<hr/>	50	<hr/>
							1,852,368

To the locomotives we may add for contingencies 50 pr ct.

Passenger cars " " " 50 "

Freight cars and coal cars " " 100 "

And to the distance run, say 147,632

Giving 75 engines, 90 passengers, 960 freight, and 640
coal cars, and distance 2,000,000

With this power and arrangement it would be easy to transport each way if the business was uniform, for a distance of 200 miles daily, 2400 tons of merchandise; but conforming to the rule, already laid down, of being prepared to do double the average, it will be fair to put the capacity at 1200 tons, 100 miles outward, and 300 tons inward. The coal trains could take 400 tons, and those to Chicago bring back 400 tons of lumber or heavy goods. Reduce these also to one half, and assuming the outward freight in produce, at 4 cents per ton per mile, inward at 5 cents, and

coal and lumber at 2 cents, and passengers at 3 cents per mile, we shall arrive at the following results :

1200 tons outward freight	312½ days is 375,000 tons at \$4,	\$1,500,000
300 " inward "	" " 93,750 " " \$5,	468,750
200 " coal to Cairo,	313 " 62,600 " " \$1,	62,600
200 " coal to Chicago,	" " 62,600 " " \$2,	125,200
200 " lumber from Chicago,	313½ " 62,600 " " \$2,	125,200
64 " through freight,	313 " 20,000 " " \$10,	200,000
26,000 through pass'rs, 400 miles each,	10,400,000 miles at 3 cts.,	312,000
60,000 local " 300 " " 18,000,000 " " 3 "		540,000
Mail \$100 per mile,	- - - - -	66,000
Expresses, Parcels, and Miscellaneous,	- - - - -	38,250
		<hr/>
		\$3,438,000
State Tax 7 per cent. say,	- - - - -	238,000
		<hr/>
		\$3,200,000

COST OF OPERATING.

73,280,000 tons carried 1 mile, at 1½ cts. pr ton pr mile,	\$916,000
28,400,000 passengers carried 1 mile, at 1 cent pr mile,	284,000
	<hr/>
Being 60 cents per mile run by trains.	Net income \$2,000,000

being 7 per cent., on between twenty-eight and twenty-nine millions of dollars. It is evident that we may deduct one-third from the gross income, and still have enough to ensure the interest on the cost of the Road. In fact, it seems difficult, without throwing away all the results of experience and rejecting the plainest deductions from the action of well known causes, to make an estimate of the business that will not produce an income, that *per se*, will appear extravagantly large on the capital invested. Yet if it had been my object to discourage investments in the stock or bonds of such an enterprise, and had claimed that it could expect no more business than was indicated in the preceding statement, without showing its proceeds, I am sure I should have been accused of a ridiculous depreciation of its probable amount. There seems indeed, very little doubt, that instead of one, before many years pass by, a double track will be required the whole length of the line, and perhaps four tracks between the coal pits and the termini of the Road. My intention, however, is not to show how profita-

ble the Road may prove as a speculation, but to prove that it will be good security for the sum expended in its construction. If it be so, then it is evident that to the bond holder, who wants security and nothing else, it is not of much consequence what the mortgaged lands may be worth, but to those who seek profit it may be, for if these lands should not be wanted at the prices fixed by the Directors, they will not be sold, and consequently the Bonds will not be taken by the Company at 20 per cent. advance at which they have retained the right to redeem them. But if there be not some gross fallacy pervading all our previous calculations, if the usual motive that governs men in making their investments, to wit:—the proportion that the income will bear to the principal, does not cease to operate, if the increase of native, and the influx of foreign population does not stop, if experience and analogy do not deceive us, and if all who have looked closely into the subject are not grossly mistaken, these lands will bring every dollar at which the Directors of the Company have appraised, or in all probability will wish them to be sold.

The prices that have been affixed to these lands may appear large, especially when it is known that there is an equal quantity equally valuable that can and will be entered, as soon as the location of the road is known, at the Government minimum rate of $\$2\frac{1}{2}$ per acre. But it must be recollected that it is not of the prices of to-day that we speak; that it is not an unproachable wilderness devoid of culture and destitute of inhabitants, that we value. It is not a country on the outskirts of civilization, untrodden save by the wild animals of the Prairie, or the wilder Indian of the forest. But it is Illinois in 1860 or 1870, that we are to appreciate. It is a region dotted with flourishing farms and covered with an enterprising and industrious population, that we offer for sale. It is the exact centre of the American Union, sustained by clusters of sister States all around, with its schools supported by the magnificent domains already granted in every section for their use, with all the appliances of modern science brought to bear

upon its own extraordinary powers of production, with one great trunk Rail Road traversing its whole extent from the North to the South, and connecting the sources of the Mississippi with the waters of the Gulf of Mexico, with rail roads and plank roads intersecting it in every direction, giving it all needful facilities, with a location within 48 hours of New-York or New-Orleans, with vast fields made ready by nature for the plough or the harrow, with valuable forests, and with inexhaustible beds of lead and coal; under all these advantages can there be much doubt of finding purchasers at prices *in fee*, that in many of the States less populous than this will be in ten years, would hardly pay the rental for a single year.

The object of this memoir is to provoke criticism—to bring forward objections, if there be any, to the course adopted by the Corporation, to elicit the truth by discussion, to detect errors of fact and errors of imagination; in a word, to arrive at a point in the investigation of the subject about which there can, under no circumstances, be any doubt, and to show a basis for investment that cannot fail in the essential elements of security of capital and prompt and regular receipt of interest.

The writer subscribes his name, not because it is of any importance who presents facts that are of general notoriety, or draws deductions from them which all can judge of, but because he does not wish to give his representations any effect by concealing his interest in the undertaking, or to let it be surmised that his statements or calculations have any official sanction. They have not been submitted to the Board of Directors, or to any of the officers of the Company. From them a more elaborate report of the location and character of the Road, of the circumstances of its position, of the probable extent of its traffic, of its future increase, of the value of its property, and of the validity of its securities, may soon be expected. It is the humble, but perhaps, not useless design of these pages to awaken so much curiosity in relation to this subject as will

ensure to that Report the attention to which its importance will justly entitle it, and to foreshadow the features of a plan that offers a mode of investment as ample in its guaranties as the securities of Government, without their liabilities to fluctuations with the changing aspects of the times.

D. A. NEAL.

NEW-YORK, July 1st, 1851.

EXTRACT OF A LETTER

FROM HIS EXCELLENCY, GOVERNOR FRENCH, EX-OFFICIO,
A DIRECTOR OF THE COMPANY, DATED
SPRINGFIELD, SEPT. 3, 1851.

DEAR SIR,—

I have been put in possession of a pamphlet published by DAVID A. NEAL, Esq., in which he treats of the present and prospective condition of the State of Illinois in its relation to the ILLINOIS CENTRAL RAIL ROAD, and its branches. I looked it over with much care and attention, and I take occasion to say, that I am highly pleased with it, especially with his practical views of the Agricultural and mineral resources of the State. The detailed views he takes of these, more nearly correspond with the impression and knowledge of those here, who are considered the best judges of the matter, than all else I have seen in print from any quarter. He shows apter and more intimate knowledge of the actual capabilities of the soil, and other resources of the State, its peculiar central position, and what may reasonably be expected from all these united, than I had supposed any man to possess out of the State. While a more intimate personal knowledge might lead him to modify his views in minor particulars, he is beyond doubt, in the main, correct, and may be relied on with very great assurance. His remarks on the subject of coal alone, are worthy of great attention, as being correct both in regard to its transportation, and the exhaustless demand which will exist for it. It is quite certain that the Southern portion of the State, from Marion County South, and Fayette County East, to the Great Wabash River, and to Vermillion County North, is almost one uniform coal bed, with its main dip on the Western side. West and North of those lines but little coal is found, and this in detached

spots, and of an inferior quality. But with this I am but exhausting your patience. Be pleased to convey to Mr. Neal the gratification I have felt in perusing his pamphlet, and assure him that he has laid us under obligations to him, for if it does not result to the ultimate benefit of the Company it will tend to promote the prosperity of the State, by furnishing many correct views in a narrow compass, and inviting emigration to the State. Our newspaper notices it very favorably and at large.

With respect and esteem, I am

Very truly, yours,

AUG. C. FRENCH.

LETTER

TO

ROBERT SCHUYLER,

PRESIDENT OF THE

ILLINOIS CENTRAL RAIL ROAD COMPANY,

ON THE

VALUE OF THE PUBLIC LANDS OF ILLINOIS.

By ROBERT RANTOUL, JR.,

ONE OF THE DIRECTORS.

1877

1878

1879

1880

1881

1882

LETTER.

BEVERLY, September 1st, 1851.

SIR :

In entering, at your request, into an inquiry as to the prospective value of lands in Illinois, I think it proper to examine the general considerations which will influence the settlement of the State, because it seems to me that by this course we may arrive at a result much more satisfactory and certain than by comparing the prices of land in particular localities, or by collecting the opinions of individuals. The Illinois Central Railroad is to be the main artery of communication between vast sections of this continent, and its value depends upon the amount of intercourse between those sections, and upon the business of the population along the line. What this population is likely to number at any given date may be judged from facts positively and officially ascertained, so that the reader, if not satisfied with our conclusions, will have before him the means to form his own.

The territory of the United States consists of four great natural divisions, two slopes toward the ocean on the east and west, and two valleys or basins, one stretching from the centre of the continent easterly, the other from the same centre southerly. The natural route of the largest travel to and from each of these divisions lies through the State of Illinois. The passage from the Basin of the Lakes and the St. Lawrence, an area of about one million of square miles, to the central and southern parts of the Valley of the Mississippi must necessarily be from the southern

extremity of Lake Michigan through Illinois. The travel from the northern portion of the Atlantic slope, the nine North Eastern States, having already more than eight and a half millions of inhabitants, must follow the same route to reach the same destination. The line of our road, continued to Mobile, or by steamboat down the river, links the Basin of the Lakes to the Gulf of Mexico, so that all the trade and travel of that Basin to and from the West India Islands, Mexico, and Central America, and across the Gulf to the Pacific Coast of North and South America, naturally pass that way. Illinois, therefore, is not only accessible from all quarters, but on the line of the principal thoroughfares of the continent; and when those thoroughfares are once opened for the cheapest and speediest travel and transportation through the whole length of her territory, all her resources must be at once revealed to the world: if her lands offer the strongest inducements to settlers, that fact must be almost immediately known, appreciated and acted upon.

The States northwest of the Ohio are seven in number, five of them east, and two of them west of the Mississippi. Of these, the three older States, which are those bordering on the Ohio, are so far settled that the Government has already parted with more than five-sixths of the lands within their limits, while in the other four States the Government retains as yet more than two-thirds of the lands. The unsold lands in the three older of these States are distributed as follows:

Ohio, containing	25,576,960	acres:	Unsold	367,742	acres.
Indiana, "	21,637,760	"	"	1,511,266	"
Illinois, "	35,459,200	"	"	11,449,471	"
<hr/>					
The three States "	82,673,920	"	"	13,328,479	"

The land unsold in Ohio and Indiana, is less than would be required to furnish farms of the ordinary extent for one year's natural increase of the population of those States, allowing nothing for emigration. For all practical purposes, therefore, we may regard the public lands of those two

States as exhausted, and those of Illinois come into competition only with the four younger States, as yet but sparsely settled, Michigan, Wisconsin, Iowa and Missouri. These last four States contain more than one hundred and forty-six millions of acres, of which more than ninety-eight millions remain to be disposed of by the General Government. [See Tables A and B.]

To determine the disposable value of land in Illinois, it will be convenient to take as a criterion that of some other State more densely peopled, say for instance Ohio, and make that the basis of our reasoning. We are in no danger of being carried too far by this method, because we institute a comparison between the most fertile land in the world and that which is much less productive; and between land bordering on a perfect railroad and having the best access to market, and the whole surface of Ohio, much of it not so accessible. It will be found also that the price of land continues to increase in a ratio much greater than the density of population Massachusetts has about two and a half times as many inhabitants to a square mile as Ohio, but land as good as that of Ohio, and cultivated with as little cost and labor, is worth more than five times as much in Massachusetts as the official valuation in Ohio.

What then is the present value of land in Ohio, for agricultural purposes, estimated at a rate low enough to form a safe basis for prudent calculations?

The official valuation of all the lands subject to taxation in Ohio, exclusive of that included in towns, was 23,768,835 acres, estimated at \$264,661,957, which gives an average of \$11.13½ per acre, for the year 1849. Towns are separately valued at a further sum of more than seventy millions of dollars. It is generally supposed that to this assessment for the purpose of taxation, at least one-third should be added to ascertain the true selling price; if we add one-fourth only, it gives us \$13.91½ as the real value in 1849, which at the present time, 1851, must be increased at least

six per cent., giving \$14.75 per acre. The more thoroughly this estimate is examined, the more undeniably will it appear that it is below the true value, yet place our data beyond the reach to of cavil, let us admit the price per acre to be \$12 only. A ready test to be applied to this price is to see what rate it would give in other States more settled, and also in those less settled, if the price rose in the ratio of the density of population.

This rule would give per acre, for Massachusetts \$33.00; Connecticut \$18.84; New-York \$16.00; Pennsylvania \$12.90; Indiana \$7.20; Kentucky \$6.25; Michigan \$1.71; Wisconsin \$1.33; Iowa .92; Missouri \$2.40.

Those acquainted with these States, will at once pronounce these prices to be far below the value of land in each of them.

Is the productive capacity of the land sufficient to yield a fair return on the investment? Because if it be not, the price cannot be expected to rise higher than the rate which will give a rent equal to the average of other States. In the report of the Commissioner of Patents for 1849, page 232, it is stated that there are *five or six* States in this Union in which "men can grow maize on common soil, place the crop in a crib at from six to ten cents a bushel, and pay a fair price for the labor." This can be done much cheaper in Central Illinois than in the average of these five or six States. Corn is often raised at or below five cents.

The produce of an acre is, at a low rate, fifty	
bushels—say at 8 cents,	\$4.00
Hauling to Railroad,	50
Transportation 150 miles, at 4 cents per ton,	9.00
<hr/>	
27 cents per bushel, per acre,	\$13.50

If the price at Chicago should not go below 37 cents, an immense exportation may be depended upon. If delivered

in Liverpool low enough to be used by British graziers for fattening cattle, the quantity required for their consumption is almost beyond calculation. But this price, after so long a journey as 150 miles, gives a nett profit of ten cents a bushel, or five dollars per acre, which is equal to an interest of twenty per cent. on an original investment of twenty-five dollars per acre.

Suppose corn carried upon the Railroad half this distance, or seventy-five miles. It may be brought great distances to the depot for this purpose, by means of plank roads, which will speedily be constructed.

Fifty bushels, at 8 cents, cost	.	.	\$4.00
Conveyance to depot, say,	.	.	1.00
Transportation 75 miles,	.	.	4.50

Cost delivered at the Lake,	\$9.50
Value at the Lake,	37 cts.
Cost,	19

Net profit per bushel, 18 cts.

This would realize nine dollars profit, or twenty per cent. on an investment of forty-five dollars per acre.

If an article so bulky as corn cannot be profitably carried the whole length of the Railroad, it is to be recollected that animal products can bear transportation three or four times as far as corn, and still pay a much smaller per centage on their cost. The freight of a barrel of pork three hundred miles will not exceed a dollar and fifty cents at the outset: and the rates of toll assumed are capable of very great reduction, so soon as the business of the road requires the construction of a double track; a contingency not far distant in the future.

It is plain, from these remarks, that all the land within fifteen miles of the Central Railroad is intrinsically worth, from its power of production, not only as much as, but an

average twice as high as that which we have assumed to be the selling price of Ohio lands. Such an average might be realized, if the supply of such lands were not much greater than the demand for cultivation.

It becomes then necessary to inquire how long will the supply exceed the demand, not for speculation, because that is too precarious and unsteady for our consideration, but the demand by actual settlers for cultivation. We have official data by which this question can be answered, approximately, but as definitely and with as strong a probability of correctness as anything future can be known, which depends on the voluntary action and separate judgment of multitudes of individual men.

The quantity of land taken up by each occupant in the Western States, differs, of course, with the density of population, and the price to which land has risen. In the State of Ohio, the land sold and granted averages less than thirteen acres per head for the whole population; in Indiana it is twenty and one-third acres, and in Illinois twenty-eight acres per head. In the other four North Western States it slightly exceeds thirty acres. [See Table C.]

The eleven millions of acres of land not yet taken up in Illinois, would supply a population of little more than four hundred thousand persons with twenty-eight acres each, the quantity thus far in Illinois. This increase to her population, at the ordinary rate, will accrue in *six* or *seven* years. If the land were divided in the same proportion as in Indiana, it would be sufficient for about five hundred and sixty-five thousand persons. If divided as in Ohio, it would supply nine hundred and five thousand. But, unless the rate of increase should be checked, which there is no reason to apprehend, five hundred and sixty-five thousand persons will be added to the population of Illinois in *eight* years, and nine hundred and five thousand in *twelve* years. The ordinary increase of population, such as causes already existing, have been sufficient to maintain for the last fifty

years, without the aid of artificial channels of intercourse, will be quite sufficient to exhaust, twelve years before your bonds fall due, the whole quantity of land owned by the Government in Illinois on the 30th of June, 1850. This quantity, however, is very far beyond that *now* remaining at the disposal of the United States, as I shall have occasion to show.

If, without referring to the quantity of unsold land, we inquire simply how soon the tract through which the road is to pass will arrive at the average density of population of Ohio, we observe, that if the road be of the length generally anticipated, there will be included within fifteen miles of the line, about twenty thousand square miles of surface, having at present about three hundred thousand inhabitants. Seven hundred thousand must, therefore, be added, to reach an average of fifty to the mile. Suppose only two-thirds of the additional population of the State to settle within fifteen miles of the Rail Road, and still the requisite density will be reached, at the rate of increase of Illinois for the last ten years, in thirteen years from the present date; that is to say, about the 1st of September, 1864. The State would then contain besides the million of inhabitants within fifteen miles of the Central Rail Road, almost an equal number occupying the remaining three fifths of its territory, at an average density of twenty-seven to the square mile, about the average already reached by the whole State of Indiana; and the public lands would of course be exhausted, as they already are in Ohio and Indiana. The lands in the possession of private holders might then be expected to bear prices compared to those of Ohio and Indiana, respectively, in the proportion of their fertility and power of access to markets for their produce.

These calculations all proceed upon the hypothesis that the rate of increase of population in Illinois is to continue the same for the next thirteen years that it has been since 1840. There are obvious reasons why a much more rapid progress might be counted on, if it were not wholly

unnecessary to make out a stronger case than this establishes for us.

During the last ten years Illinois has labored under a debt of a magnitude absolutely overwhelming when compared with her resources at the commencement of that period. She had then before her a very gloomy alternative. If she endeavored to meet even the interest of her obligations she would be crushed under the weight of an intolerable taxation, from which her most able and enterprising citizens would have fled into other States. If she abandoned the effort in despair of the possibility of success, then she must suffer all the consequences of the total loss of credit consequent on her bankruptcy. In neither case did it seem to be probable that her public works could be made available towards the discharge of the debt incurred for them, or aid to develop the resources of the State. Why should an emigrant from the old world, or from the other States, with the broad valley of the Mississippi open before him where to choose, voluntarily assume a full share of these embarrassments by becoming a citizen of Illinois? The answer which emigrants have given to this question may be seen in the settlement of Wisconsin, which State with a colder climate and a harder soil than Illinois, has added to her population more than eight hundred and eighty per cent. in the last ten years, a progress unprecedented in the history of the world, in any agricultural community.

Ten years ago, Illinois, borne down with debt, had not only not a mile of Railroad, or canal, or plank road, in operation within her borders, but no reasonable plan had been agreed upon by which she could hope to diminish her debt, discharge her interest, or acquire facilities of communication. She has now her canal debt rapidly approaching towards extinction, revenues sufficient in a very short time to discharge her whole interest without increasing the rate of taxation, one hundred miles of canal, and a still greater length of Railroad, in highly profitable operation, with plank roads in great numbers, paying dividends large enough

to ensure the early construction of several thousand miles more. Not only so, but she has before her the certainty that she will be supplied with more than twelve hundred, perhaps it may be safely said, more than fifteen hundred miles of railroad in the next five or six years ; and channels are already constructed to convey her products, transported to her boarders on these Railroads, through Michigan, Indiana, and the Eastern States, to the seaboard and abroad. If, paralyzed as she was for the last ten years, her growth was at about the same rate as that of Michigan, having less than half as dense a population, with her Railroads and her lake boarders and her steamboats ; about the same as that of Missouri, with, only two-thirds as dense a population, and with the Queen City of the Great River in her centre, receiving the whole current of emigration up the Mississippi ; about the same numerically as that of Wisconsin and Iowa together, these two starting with a hundred thousand square miles of land unoccupied, wholly unencumbered with debt, and accessible from the lake and from the river ; why should she not, in her present healthy condition, her limbs unshackled and her pathway free before her, advance with the step of a giant refreshed, towards her natural position among the first in population, power and wealth of the North American confederacy of States ?

Even under all the disadvantages which have impeded the progress of Illinois during the last ten years, disadvantages whose effect it would not be easy to over-estimate, the growth of those sections of the State which can be easily reached from the northeast has been such as to afford an indication of what may be expected from the whole area when it is once made equally accessible. The two land districts of Chicago and Dixon, forming the Northern section of the State, contain together 14,126 square miles, or about one-fourth of the land in the State. This Northern section alone, is accessible from Lake Michigan, and of course has received the whole benefit, in common with the southeastern part of Wisconsin, of the lines of steamboats from Buffalo and Detroit, and of the travel over the

Michigan Central Rail Road. It had by the last census, two hundred and fifty-five thousand eight hundred and seventy inhabitants, or eighteen to the square mile; and is divided into twenty-four counties. If we take separately the northern belt across the whole breadth of the State we shall include in thirteen counties, every county within fifteen miles of which the Chicago and Galena Rail Road route passes. These thirteen counties increased about two hundred and eighty per cent in the last ten years in the number of their inhabitants; having in 1840, six and one-half to a square mile, and in 1850, about twenty-five to the square mile.

If we now take the belt directly south of this, including the eleven counties which constitute the remainder of the Chicago and Dixon land districts, we shall find that these are the counties accessible from the Lake through the Illinois and Michigan Canal. These eleven counties increased in population one hundred and nine per cent. in the last ten years. They had, in 1840, five and one-third inhabitants to the square mile, while in 1850, they had a fraction over eleven to the square mile. The remaining seventy-five counties of the State having no convenient access from the East for emigrants, and to the eastern markets for produce, have increased fifty-two and a half per cent. in ten years; and while in 1840 they had nine and a half inhabitants to the square mile, or fifty per cent. more than the northern section in 1850, they had but fourteen and a half to the square mile, or little more than half the average density of the thirteen northern counties. All these particulars are more distinctly presented in the following table:—

<i>Illinois.</i>	<i>Sq. miles.</i>	<i>Pop. 1840.</i>	<i>To sq. m.</i>	<i>Pop. 1850.</i>	<i>To sq. m.</i>	<i>Inc. pr. ct.</i>
13 Counties,	7,200	46,992	6.52	178,417	24.78	279.6
11 "	6,926	37,057	5.35	77,393	11.17	109.0
—	—	—	—	—	—	—
24 "	14,126	84,049	5.95	255,810	18.10	204.3
75 "	41,279	392,134	9.50	599,574	14.50	52.9
—	—	—	—	—	—	—
99 "	55,405	475,183	8.59	855,384	15.04	79.2

The twenty-four counties, therefore, of the Chicago and Dixon land districts of Illinois exhibit, and enable us to measure the influence of Lake Michigan in opening a cheap highway to the vast territory upon its Western boarders. This increase of two hundred and four per cent. in the population of an area larger than the States of Massachusetts, Connecticut and Rhode Island together, has occurred during ten years, when the extraordinary and unprecedented prosperity of those Atlantic States, whence emigration to the West has been generally derived, kept at home on the seaboard, a population of about seven hundred thousand persons, who must otherwise, at the rate at which population advanced in those States, during the next preceding decade of years, have become inhabitants of the Mississippi Valley, and for the most part, of the northern part of the Valley. [See Table D.] This increase of two hundred and four per cent. has occurred in the accessible section of Illinois, in ten years of financial embarrassment and State bankruptcy, most repelling to immigrant settlers, and to know how far these circumstances have depressed the growth of Northern Illinois, let us cross the boarder line into Wisconsin, and measure there the effect of the Lake as a great avenue, upon the portion of Wisconsin open to its influence.

If we draw a line across Wisconsin from Green Bay down the Neenah and Wisconsin rivers, to the Mississippi, we shall leave south and east of that line a space about equal to the Chicago and Dixon land districts, from which, as well as from the rest of the State, in 1840, Black Hawk and his warriors had been not long expelled. South and east of the dividing line are twenty counties; north and west of that line are ten counties, not yet of easy access. The growth of the population in these two sections is as follows:—

<i>Wisconsin.</i>	<i>Sq. miles.</i>	<i>Pop. 1840.</i>	<i>To sq. m.</i>	<i>Pop. 1850.</i>	<i>To sq. m.</i>	<i>In. pr. ct.</i>
20 Counties,	14,054	24,670	1.77	278,535	19.97	1,029
10 "	39,870	6,275	.15	27,003	.67	330.3
30 "	53,924	30,945	.57	305,538	5.66	888.6

While, therefore, fourteen thousand miles of land south of the boundary between Illinois and Wisconsin, increased its population 204 per cent., the same quantity of similar land adjoining it, but north of that boundary, increased its population more than one thousand per cent. The fear of the State debt counterbalanced and outweighed the disadvantages of a colder climate, and the greater expense of clearing woodland, instead of simply breaking up prairie. The manner in which such a tide of immigration can build up a city may be seen in Milwaukee, one of the landing places for passengers by steamers round the Lakes from Buffalo; and second only to Chicago among the ports of the upper Lakes. I give a table of its population at periods of four years :

Population of Milwaukee from 1838 to 1850.

1838	-	-	700	1846	-	-	9,655
1842	-	-	2,700	1850	-	-	20,061

The State debt of Illinois has ceased to cause alarm. It is obvious that the taxes provided for in the Constitution, of the State, levied on her rapidly increasing property, would soon be sufficient to meet her liabilities. But it is certain that the opening of her great system of Railroads will accelerate the increased valuation of her property by many millions annually, while her share of the gross revenue of the Central Road will enable her soon after that road is opened, to begin rapidly to extinguish her debt. This obstacle being no longer formidable, the central and southern parts of Illinois are now ready for the full development of their natural advantages. The remainder of the State, with a warmer climate than that which already trebles its numbers in ten years lessening the expense of shelter, fuel and clothing has also a soil tillable with less labor, and yielding larger harvests, and, underlying many thousand miles of its area, one of the largest coal beds in the world, not too far from the surface, and in many parts of excellent quality. I say nothing of the metallic minerals of Northwestern or Southern Illinois, not because I undervalue them, but because I cannot extend this communication to

do justice to their merits ; and because in land for agricultural purposes alone, Illinois has wealth enough for an empire. Open a vent for her products, and her central and southern lands will be sought for as eagerly as those have been which already open on Lake Michigan. Difficult of access as are most of her lands, now remaining unsold, they are still sought for in much larger quantities than those of any other new State. The public land sold in the seven Northwestern States during the year ending June 30th, 1850, before the projection of the Central Rail Road began to influence sales in Illinois, was distributed as follows :

Sales of land in the seven Northwestern States for the year ending June 30th, 1850, according to the Report of the Secretary of the Interior, of the 3d December, 1850.

Ohio,	34,677.25 acres.	Michigan,	48,675.04 acres.
Indiana,	120,998.93 “	Wisconsin,	162,098.87 “
Illinois,	275,119.48 “	Iowa,	112,832.75 “
	<hr/>	Missouri,	227,000.89 “
	430,795.66		<hr/>
			550,607.54

It will be seen from this table that more land is sold in proportion to their area in the three older States of Ohio, Indiana and Illinois, than in the four younger Northwestern States ; and almost six times as much in proportion to the land remaining unsold. Almost two-thirds of the sales in the three older States were in Illinois ; and as this was the case before the passage of the law donating lands to the Central Railroad, September, 1850, it will be readily supposed that since that date the sales in that State have been much more rapid. Indeed, in a single district in Illinois, in which the sales for the year ending June 30th, 1850, were 18,528.42 acres, in the quarter ending June 30th, 1851, they were 43,661, or nine and a half times as much in proportion to the time as before the act of donation. This has happened while the land within fifteen miles of the Railroad is reserved from sale. I have not yet obtained returns from all the districts, so that I am unable to make the comparison for the whole State.

It may be interesting to inquire how the density of population, and sales of land, of different parts of the State, compare with each other, in order to judge how far these facts furnish evidence of the comparative value of the Company's lands. It must be borne in mind that these lands are situated mostly in the three districts of Dixon, Danville, and Vandalia, and that these districts, being the least accessible in the State, have been of course, the last to be settled. Railroad communication has not yet reached an acre of land in either of these districts. If, therefore, the lands are rapidly taken up, and settlers are pouring into these districts, it is because of the intrinsic fertility of the soil, and the confidence, growing every day stronger, that communications will soon be opened.

Illinois is divided into ten land districts. Of these, two, Chicago and Quincy, the former lying on Lake Michigan, and including the principal Railroad, and the Canal of the State, the latter lying between the Mississippi and Illinois Rivers, with almost every township in it within thirty miles of steamboat navigation, have, in the aggregate, more than eight millions of acres of land, of which one-tenth remains unsold. When it is considered that the lands unsold in these two districts are not quite sufficient to furnish farms of the average Illinois size, for one year's increase of their population, it is plain that, in estimating the unsold lands which are to come into competition with those of the Company, we may omit the Chicago and Quincy districts entirely, without materially affecting the result. The three districts which include most of the Company's land, Dixon, Danville and Vandalia, have thirteen million eight hundred thousand acres of land, of which about one half is unsold; while the remaining five districts have thirteen million four hundred thousand acres, of which about one-fourth part remains unsold.

The comparative density of the population of these sections, and their increase, with the number of acres in each, will appear in the following tables.

DISTRIBUTION AND PROGRESS OF THE POPULATION OF
ILLINOIS, CONSIDERED BY LAND DISTRICTS, FROM
1840 TO 1850.

<i>Districts.</i>	<i>Sq. miles.</i>	<i>Acres.</i>	<i>Pop. 1840.</i>	<i>To sq. mile.</i>	<i>Pop. 1850.</i>	<i>To sq. mile.</i>
Quincy,	7,073	4,526,636.26	87,448	12 36	154,635	21.9
Chicago,	5,777	3,697,068.60	48,416	8.38	160,500	27.8
	12,850	8,223,704.86	136,864	10.65	315,135	24.51
Dixon,	8,349	5,343,471.73	35,633	4.26	96,370	11.56
Danville,	7,705	4,931,334.79	27,932	3.62	55,093	7.15
Vandalia,	5,516	3,530,401.00	22,632	4.10	36,775	6.67
	21,570	13,805,207.52	86,197	4 00	188,238	8.72
Five other,	20,985	13,410,287.62	253,122	12.00	352,011	16.76
Total,	55,405	35,439,200.00	477,183	8.59	855,384	15 44

RECAPITULATION.

	<i>Pop. 1850.</i>	<i>In. per ct.</i>	<i>Pop. 1860.</i>	<i>At pr. ct.</i>	<i>To sq. m.</i>
Quincy and Chicago,	315,135	130.26	724,810	1.30	56.4
Dixon, Danville and Vandalia,	188,238	118.38	414,123	1.20	19.2
Five other, - - -	352,011	39.07	492,815	.40	23.4
Total of Illinois,	- - -	79.63	1,631,784	90	29.4

This table shows that the districts in which the land is mostly sold have a density of population (24.51) almost three times as great as those in which the land is less than half sold (8.72;) but that these thinly settled districts, with a population of about half the density of the other five districts, (16.76,) are increasing three times as rapidly; and what is still more extraordinary, almost as fast as those two districts which enjoy the benefit of the steamers round the Lakes and on the Mississippi and Illinois, of the Canal, the Michigan Central, and Chicago and Galena Railroads. The table gives the population and the density at which each division would arrive in 1860, at the same rate of progress, in round numbers, as for the last ten years. But it is not reasonable to suppose that the same rate will continue in the two districts, which in 1853, will be as populous as Indiana. Their land sells at high prices already, and the opening of the new channels may divert emigration which

would otherwise have settled there. An addition of two-thirds their present numbers to these two districts is quite as much as can safely be calculated on while the thinly settled districts may be expected to, at least, double their rate of progress, from the influence of the Railroad. As the other five districts will all be greatly benefited by their connection with the road, it is not too much to expect that they also will double their rate, and increase, say eighty per cent. in the next ten years.

Proceeding on these data, we shall have the following estimate of the population of Illinois for 1860 :—

<i>Districts.</i>	<i>Rate of Inc.</i>	<i>Pop. 1860.</i>	<i>To sq. mile.</i>
Quincy and Chicago, - - -	66½	525,225	40.87
Dixon, Danville and Vandalia, -	240	640,009	29.67
Other five, - - - - -	80	633,620	30.2
<hr/>			
Total of Illinois, - - -	110.4	1,798,854	32.47

Suppose this estimate to be realized, and these three districts of Dixon, Danville and Vandalia, will offer still stronger inducements to the emigrant than any other portion of the West. They would still have a population less dense than the average of the State of Illinois, but not less fertile, nor less accessible. Land would still be cheaper in Illinois than in Ohio, or in Indiana, because the settlement would still be much less dense than in those two States. Ohio increasing at thirty per cent. will have 64.47 to the square mile in 1860. Indiana, if she increases at forty-five per cent. only, and there are obvious reasons why the rate should be greater, will have 42.47 to the square mile: Illinois only 32.47. The older States east of Illinois, including Ohio and Indiana, are therefore full, and emigrants will pass through them, and by them, to Illinois, to land which is both cheaper and better, for the same reasons that they have done so heretofore.

But, it may be asked, will not a larger portion of the additional population coming into the valley of the Mississippi, diverge into the new States, and so be drawn off from Illinois ?

Certainly not to the inaccessible portions of those States ; because a bushel of corn costing six cents, which can be carried for thirty cents to a market where it will sell for thirty-six cents, is not worth so much as a bushel of corn costing twenty cents, which can be carried for ten cents to the same market and sold for the same price of thirty-six cents. A saving of twenty cents per bushel on the transportation of your corn is the saving of ten dollars on the crop of an acre, reckoned at fifty bushels ; and this sum is twenty per cent. interest on a first cost of fifty dollars per acre. It will be better economy, therefore, taking the article of corn as a criterion, to buy land in the south part of the Danville district, at fifty dollars the acre, when the price by competition for it, shall have been raised so high, and you have a double track Railroad within twelve miles of your farm, than it would have been to buy the same land, at a dollar and a quarter per acre, when there was no practicable outlet for your produce.

But will not Railroads be built opening up these vast tracts of unoccupied land, so as to bring them into market ? Doubtless to some extent, but in a very limited proportion to the whole surface. It is a much more promising enterprise to build Railroads through regions having already from twenty to fifty inhabitants to the square mile, where the way travel is to be depended upon, than to make your road through uninhabited wastes, and wait for population and business to follow it. If, however, the through travel of a long route is thought a more desirable object, there is no new route connecting the Lakes with the Gulf of Mexico, or the northeastern States with the western, or southwestern that will run through Northern Michigan, or Wisconsin, or Iowa, or Missouri. The Railroads built in these States, then, for the next ten or fifteen years, will be for the local business and travel of sections where business and population are already collected ; gradually, of course, extending their sphere of action as population advances, but not rushing suddenly beyond it.

In these accessible sections of the four States spoken of, Railroads will be built as they ought to be, because the population and business either are, or very soon will be, sufficient to support Railroads profitably. But these accessible sections do not now, and will not for twenty years at least, if ever, offer the inducement of cheaper land than Illinois, especially the Dixon, Danville and Vandalia districts.

We shall the better realize the certainty of these views, if we divide each of the four younger northwestern States into two portions, the smaller portion in each State that of convenient access and comparatively dense population; the larger portion that at a distance from the great channels of communication, and as yet but very sparsely settled. The contrast is very striking, and deserves to be carefully studied by those investigating the probabilities of Western Railroad enterprises. The State of Michigan is first to be considered, because it is nearest to the dense masses of population in the northeast, and to the Atlantic ports, through which emigrants arrive, in passing from the old world to cheap land at the west. In the southeastern part of the State is the Key to the intercourse between the basin of three upper Lakes, and that of the lower Lakes and the St. Lawrence; as well as through these to the Mississippi, on the one hand, and the northeastern hive upon the other. The great current of emigration, which builds up cities and States, passes through this section at Detroit. The marked points along the line of this current will aid as to measure its influence. They are, with their population in 1840 and 1850, as follows :

	1840.	1850.
New-York, . . .	315,394	412,712
Buffalo, . . .	18,213	40,266
Detroit, . . .	9,102	21,057
Chicago, . . .	4,479	28,269
St. Louis, . . .	16,468	92,744

From Detroit, the Michigan Central Railroad extends to the west, and if we take the first four counties on this

road, with the first three south, and the first two north of them, we have together nine counties, with much more than half the population of the State. These counties so favorably situated to receive emigrants, and to forward produce, will of course, continue to prosper and increase; but those in search of cheap lands will not stop here, because the density of settlement, and the price of land, are both much higher than in Illinois, and will be so for the next twenty years. In the distant part of the State, cheap land can be found, but not more eligible than that of Illinois.

The next State on the highway of the Lakes, after passing Michigan, is Wisconsin; the division of whose area into two parts, the one having a population about thirty times as dense as the other, I have already noticed. The denser portion has also increased three times as rapidly as the remainder, and is just beginning to enjoy the advantages of Railroad communication. It has more than twice the average density of population (19.97) belonging to the Dixon, Danville and Vandalia districts, (8.72,) and will certainly continue for more than twenty years more densely settled, and with land at higher prices, than those three districts of Illinois.

If we cross Illinois by the Canal, and the Illinois river, a cheap and convenient navigation, we next arrive at Missouri, a State centrally situated, and commanding a large share of western trade. She naturally receives the vast multitudes of emigrants from Europe arriving at New Orleans, and has her choice of avenues to the markets of the world, down the Mississippi by magnificent and numerous steamboats; or across the country to the east, by the various channels recently opened, or yet to be completed. The longest watercourse in the world, the Missouri, hurrying its turbid tribute from the Rocky Mountains to the Gulf of Mexico, passes transversely from the northwestern angle of the State, directly through its centre. Upon both sides of this river, from the mouth of the Nodaway to the Mississippi, there are twenty-three counties, having less than a sixth of the

surface, but nearly half the population of the State. These twenty-three counties have 31.76 inhabitants to the square mile, and will be more densely peopled than the three districts with which I compare them, till long after those districts have acquired a density greater than that of Ohio.

The State of Iowa remains to be considered. She is still further than the rest from the sources of emigration and from available markets. Eighteen counties in the south-eastern part of this State, with less than a fifth of her territory, have a population twelve times as dense as the remainder, increasing and likely to increase with great rapidity. The lands of these eighteen counties are, and for many years will be, more densely settled than those of the three districts in question.

These particulars appear more distinctly in the following table, in which I have first divided the population of each State between the densely and the sparsely settled portions of territory, and showing the inhabitants to each square mile in each portion; and have then shown the density of population, at a probable rate of increase in 1860, supposing the increase to be twice as rapid in the sparsely settled as in the densely settled counties.

Division of population between the more accessible and the less accessible portions of the four younger North-western States for 1850, and for 1860, at certain assumed rates of increase.

				<i>Sq. miles.</i>	<i>To sq. mile:</i>	<i>In. pr. ct.</i>	<i>Sq. mile in 1860</i>
Michigan,	9 Counties,	-		4,420	49.21	50	73.82
"	23 "	-		51,823	3.56	100	7.12
Wisconsin,	20 "	-	-	14,054	19.97	200	58.91
"	10 "	-		39,870	.67	400	3.35
Missouri,	23 "	-	-	10,350	31.76	50	47.64
"	78 "	-		57,030	6.20	100	12.40
Iowa,	18 "	-	-	9,000	14.80	125	33.30
"	33 "	-		41,914	1.17	250	4.09

The denser counties of these States will hold their land much higher in 1860 than the Dixon, Danville and Vanda-

lia districts in Illinois. Into the sparsely settled counties, Railroads can hardly begin to run profitably until after 1860. Illinois will continue to offer the largest supply of comparatively cheap, accessible, fertile, and in all respects eligible land, until long after the prices of land along the line of her great Railroad have risen beyond the average, at the official valuation of the lands of Ohio at the present day.

The aggregates of these dense portions together, and of the sparse regions, are as follows :

Portions dense enough to support Railroads.

<i>States.</i>	<i>Sq. miles.</i>	<i>Pop. in 1850.</i>	<i>Pop. in 1860.</i>	<i>Inc. in 10 ys.</i>
Michigan, - -	4,420	217,529	326,293	50
Wisconsin, - -	14,054	278,535	835,605	200
Missouri, - -	10,350	328,695	493,042	50
Iowa, - -	9,000	133,165	299,621	125
	<hr/>	<hr/>	<hr/>	<hr/>
	36,824	359,924	1,954,561	104
Per square mile in 1850, 25.32 In 1860, 51.15.				

Portions too sparsely settled to support Railroads.

Michigan, -	51,823	184,512	369,024	100
Wisconsin, -	39,870	27,003	135,015	400
Missouri, -	57,030	353,749	707,498	100
Iowa, -	41,914	59,082	206,787	250
	<hr/>	<hr/>	<hr/>	<hr/>
	190,637	624,346	1,418,324	127
Per square mile in 1850, 3.27. In 1860, 7.44.				

Having gone over all the Northwestern States separately, I will now recapitulate and give the total for each State, with the population for 1860, at the rate of increase assumed.

Population of the Northwestern States for 1860, at the rates of increase assumed in the foregoing remarks with the number per square mile.

<i>States.</i>	<i>Sq. miles.</i>	<i>Pop. 1850.</i>	<i>Pr. sq. mile.</i>	<i>Pop. 1860,</i>	<i>Pr. sq. mile.</i>	<i>Inc. pr. ct.</i>
Ohio,	39,964	1,981,940	49.59	2,576,522	64.47	30.0
Indiana,	33,809	990,258	29.29	1,435,874	42.47	45.0
Illinois,	55,405	855,384	15.45	1,798,854	32.47	110.4
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	129,178	3,827,582	29.63	5,811,250	44.99	51.8
Michigan,	56,243	402,041	7.15	695,317	12.36	72.94
Wisconsin,	53,924	305,538	5.65	970,620	18.00	220.95
Missouri,	67,380	682,044	10.12	1,200,540	17.82	76.02
Iowa,	50,914	192,247	3.77	506,408	9.94	163.42
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	228,461	1,581,870	6.92	3,372,885	14.76	113.2

RECAPITULATION.

	<i>Pop. 1850.</i>	<i>Pr sq. mile.</i>	<i>Pop. 1860.</i>	<i>Pr sq. mile.</i>	<i>Inc pr. ct.</i>
3 older States,	3,827,582	29.63	5,811,250	44.99	51.8
4 newer "	1,581,870	6.92	3,372,885	14.76	113.2
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
7 Northwestern,	5,409,452	11.82	9,184,135	20.07	69.78

This table does not afford any reason to apprehend that that the northwest will be overstocked with population, so that immigration will be checked for want of space in which to expand itself. These seven States, if they advance as supposed above, will still fall short of the density of the great States of Virginia, the Carolinas, Kentucky and Tennessee, which with 216,532 square miles of territory, have 4,961,542 inhabitants, or an average of 22.91 to the square mile. The whole economy of cultivation in the northwest is so different from that of these States, that it will support from three times to four times the population, before the symptoms of too crowded a condition of agricultural labor will manifest themselves as they do in the older Southern States. The Northwestern States have also improved their means of communication already, much more extensively than the older Southern States. In addition to about a thousand miles of canals now in operation, they have in

operation, and in the course of constuction more than five thousand miles of Railroads. The five southern States named have about twenty-six hundred miles. Where the best system of internal improvements has been carried out, there the rate of increase has not been checked by the density of population, but on the contrary, sections that seemed to be almost stationary have advanced rapidly since the opening of their Railroads. If we omit the State of Maine, which has but one mile of Railroad to 135 square miles of her surface, while the rest of New England has one mile of Railroad to eleven miles of surface, we shall find the other five New England States, which increased but 11.43 per cent. from 1830 to 1840, increasing 23.75 per cent. from 1840 to 1850, or twice as rapidly. This increase is most marked in the three States of Massachusetts, Connecticut and Rhode Island; these three States, averaging more than one hundred inhabitants to the square mile, but having one mile of Railroad to every seven and a half square miles of surface. The proportion in England and Wales is about one mile of Railroad to ten miles of surface. No other part of the United States is so well supplied with Railroad facilities as the northeastern section of Massachusetts, including the counties of Essex, Middlesex, Suffolk and Norfolk. These four counties have one mile of Railroad to about four miles of surface. They have considerably more than three hundred inhabitants to the square mile, a denser population than that of England and Wales, notwithstanding which they have gained in the last ten years more than forty-seven per cent. in population, advancing from 350,511 in 1840, to 516,212 in 1850, and having now more than half the population of the State.

This remarkable result is due, it must be confessed, to the decided tendency of Railroad facilities to concentrate business and population in towns and cities at the most convenient points. The tract through which the Illinois Central Railroad is to pass is mostly destitute of cities and towns, but these must be built up at intervals, along the new channels of intercourse which we are about to open, as

Chicago, Milwaukie, and so many other centres of distribution and exchange have been already on the Lake and on the rivers. As the population grows denser wealth will accumulate, not in the same proportion to population certainly, as at the head-quarters of American Railroads—the State of Massachusetts, whose wealth has doubled in the last ten years—but rapidly enough to improve constantly the circumstances of the inhabitants, and of course to raise the value of the land in a greater ratio than the increase of numbers. I say it is not to be expected that individual wealth should accumulate as rapidly in Illinois as it has done for the last ten years in Massachusetts; the last ten years having been precisely the period of the greatest prosperity and most rapid progress that Massachusetts has ever known. Yet in that portion of Illinois most easily accessible from Lake Michigan, and on the line of the Railroad to Galena, not only has population quadrupled in the last ten years, but the wealth was six times as great in 1849 as it was nine years before; so that the shares of the individual inhabitants increased faster than even in Massachusetts, where profits are annually re-invested from the accumulated capital of more than two hundred years.

In Massachusetts the valuation of 1840 was a little less than three hundred millions of dollars, or more than four hundred dollars per head. In 1850, it was a little less than six hundred millions, or a fraction above six hundred dollars per head; so that each man's share had increased fifty per cent. in ten years, a prosperity not unenviable. In the thirteen northern counties of Illinois, as may be seen in Table E, the aggregate wealth which in 1840 was \$3,630,040 had risen to \$21,942,239 in 1849, or from \$77.25 per head to \$134.27 per head. The same rate of increase per head would make each individual's share exceed two hundred and sixty dollars in 1860; and if we suppose the population of these counties to increase only two-thirds in the next ten years, about three hundred thousand inhabitants would possess about seventy-eight millions of dollars' worth of property. This amount gives \$16.91 per acre for the whole area of

these thirteen counties, and if we allow the land to constitute two-thirds of the valuation, which is much less than its true proportion, it gives more than ten dollars per acre as the price of land.

The experience of Illinois shows, therefore, that as her population becomes more dense, their wealth has increased in a ratio quite sufficient for the purpose of the present examination. Is there any reason to fear that her lands will offer fewer inducements to emigrants in future, or that less success will attend those who occupy them? It is obvious that the answer to this question depends much on determining whether the produce of these lands can be profitably taken to market, and whether the world furnishes markets sufficient to take off the immense surplus they are to yield.

Corn was carried during the summer from a point several miles above the mouth of the Illinois river down to the Illinois, thence up that river to the Canal, thence to Chicago, and thence to New-York, and there sold at a profit. Corn was not low in Illinois last summer, but in New-York it was considerably lower than the average of the last four years. Corn will go to market cheaper from the lands in the Danville district, on the line of the Chicago branch of the Central Road, than from the point of shipment on the Mississippi first referred to. Corn is so cheap and bulky, that all other agricultural produce may be carried much further on the Railroad without too great an addition to its price. All produce for which a market can be found at the seaboard will bear the cost of transportation from Illinois.

Nor need we be alarmed at the vast amounts of produce which these unsettled tracts are capable of yielding. The Northwest never received so great an accession to its population in any equal period as in the last five years; the emigration from foreign countries, most of which passes to the northwest, having risen to 299,610 in 1849, and to 315,333 in 1850, instead of less than fifty thousand a year as it was formerly. Yet with this unparalleled increase of

laborers cultivating the richest soil of the world, with the new avenues to market that have been opened during that time, all pouring to the seaboard the surplus of a succession of bountiful harvests, in quantities unheard of before, and at much lower freights than before, the supply has not kept pace with the demand, as is shown by the fact that agricultural products, almost without exception, have borne much higher prices during the last four years than during the four next preceding. The following are the average prices of the whole quantities of some of the principle articles exported from the United States during the two periods :

Flour,	1843-4-5 and 6	\$4.79	1847-8-9-50	\$5.77
Wheat,	" " "	.96 $\frac{3}{4}$	" " " "	1.29 $\frac{1}{2}$
Corn,	" " "	.55	" " " "	.71 $\frac{1}{2}$

The prices of pork and other animal products differ also, in about the same proportion. The difference extends also to southern products, so that labor will not be diverted at the South from their peculiar staples, to wheat, corn, pork, and the articles which now employ northwestern labor. The prices were,

Cotton,	1843-4-5-6	cts. 6.8728	1847-8-9-50	cts. 8.417
Rice,	" " "	\$17.66	" " " "	\$22.24
Tobacco,	" " "	52.15	" " " "	59.47

Stimulated by this rise of prices, the exports of the last four years exceeded those of the four years previous, in vegetable food and the products of animals alone, by about one hundred millions of dollars in the total.

The animal products exported from 1843 to

1846, inclusive, were valued at, . . . \$24,153,331

And the vegetable food at, . . . 47,335,438

Making an aggregate of, . . . \$71,488,769

But during the period from 1847 to 1850, inclusive, the exports of animal products were about doubled, and amounted to, . . . \$ 47,354,655

The vegetable food was more than doubled, being, 123,720,738

\$171,075,393

Subtract amount in previous four years, 71,488,769

\$99,586,624

Reference to table F will show how this excess is divided between the different years, and how much of it is due to the year of famine, 1847. It will be seen that the animal products exhibit a higher average since, than during that year, while the vegetable food averages three times what it was in 1844 and 1845, before the rise of prices commenced in 1846. It is true that the exports of vegetable food declined in amount in 1850, but they are now very large, and likely to continue so. For instance, the exports to Great Britain and Ireland, from the first of September, 1850, to the 31st of August, 1851, were,

Of Flour,	1,581,702 bbls.	Wheat, 1,523,903 bushels.
Same dates year previous, 473,460 "	"	" 463,015 "
Excess of the present year, 1,108,242		1,060,893

More than one million of barrels of flour, and one million of bushels of wheat; against which offset the falling off of corn.

Exports of Corn 1850,	\$4,873,446
" " 1851,	2,368,860
	<hr/>
Falling off,	\$2,504,586

The exports of the South increase also, which is an important element in the prosperity of the Northwest; first

because the South, while her peculiar staples are profitable, will not compete in foreign markets with large supplies of food, which she could easily furnish if her industry were directed to that object; second, because the South, in years of prosperous export of her staples consumes vast quantities of Northwestern products, which she might otherwise raise at home. The export of her three chief articles were,

	1843 to 1846,	1847 to 1849.
Cotton,	\$197,690,291	\$253,795,725
Tobacco,	28,996,314	30,548,438
Rice,	8,600,207	11,138,639
	<hr/> \$235,286,812	<hr/> \$295,482,802

The addition of another year to the last total would make the average annual gain much more marked, as the quantity of cotton was far greater in 1851, than in 1850, and the price for the fiscal year much higher per pound. With the prospect of a large crop for the next year's exports, the price is still nearly thirty per cent. higher than from 1843 to 1846. The quantity forwarded to Great Britain, to the 31st August, this year, was 1,418,265

To same date last year, 1,106,711.

Increase, 311,554

Total export, this year, . . . 1,988,710 bales.

" " last year, . . . 1,590,155 "

Increase, . . . 398,555

The next year's export will show a large increase on this amount.

That all these products both those of the North and those of the South, if they are exported in greater quantities than formerly at higher prices, would be required and consumed abroad in quantities still more rapidly increased, if they were afforded at lower prices than from 1843 to 1846, is almost too obvious to be stated; and yet it is equally obvious that the prices might be reduced considerably

below those of the former period to the consumer, and yet leave a much larger remuneration than before in the hands of the original producer, because of the saving of so large a part of the addition made to the cost of the article in the expense of transportation. The increased power of consumption of the inhabitants of Great Britain is also well ascertained, and seems from the latest returns to be steadily advancing.

The demand for Northwestern products for exportation, is, however, far from being the only dependence of the producer. The home demand increases and must continue to increase, in a ratio even greater than the foreign demand. As the country grows richer, a larger proportion of its population is withdrawn from agricultural pursuits, to be employed in Manufactures and mining, and in the management of internal exchanges and transportation, and foreign navigation and commerce. All these persons ceasing to grow their own food, and consuming freely, since, taken as a whole, they have ample means to purchase, create a continually expanding demand, which for the last five years at least, has not been overtaken by the supply. This progress in this country is far beyond that of any other part of the world, in the rapidity with which it proceeds. This communication would extend to too great a length, if I should collect all the elements which would be necessary to judge accurately how fast this change goes on. But for the present purpose, and with a view to contrast the multitudes of men devoted now to other than agricultural pursuits, with the small numbers of a time not far distant, let us compare a few particulars of the years 1830 and 1850.

In the year 1830, the anthracite coal sent to market from the mines of Pennsylvania was less than one hundred and seventy-five thousand tons. In 1850, it was about twenty times that amount. In 1830, the iron produced in the United States was about one hundred and sixty-five thousand tons, or about as much as Great Britain produced in 1800.

In 1850, the United States produced about four times as much as in 1830, or about the same quantity that Great Britain produced in 1830. The cotton manufactures in the United States consumed in 1830, forty-five millions of pounds of the raw material; in 1850, two hundred and seventy millions of pounds, or six times as great a quantity.

The instruments of transportation compare as follows, after an interval of twenty years only :—

	1830.	1850.
Miles of canal in operation, . . .	1,277	3,698
“ of Railroad “ . . .	73	8,879
“ of “ in construction, . . .	338	11,000
Tons of shipping, . . .	1,191,776	3,535,454
“ of “ built in the year, . . .	58,094	272,218
Number of steamers built in last 5 yrs, . . .	196	965

The growth of cities is more remarkable in this connection than even the facts just given. In 1830, only one-sixteenth part of the population of the United States were collected in cities, having more than ten thousand inhabitants in each. In 1840, about one-thirteenth, and in 1850, about one-eight of the population were so situated.

The number of persons inhabiting towns of more than ten thousand inhabitants, was as follows, at four respective dates :

1820.	1830.	1840.	1850.
570,010	878,300	1,329,937	2,809,251

The last number may be somewhat increased upon the publication of the census returns, as it is possible that my data may not be quite complete upon this point. It will be perceived from the figures given that the tendency of the population to congregate in cities has been, as might be expected, much stronger in the last ten years than in any previous decade. The cities which now contain 2,809,251, contained in 1840, when several of them were only small

towns, 1,514,103 inhabitants ; so that these cities have increased in ten years, eighty-five and a half per cent. The same rate of increase, for the next ten years, will carry these cities up to 5,200,000 inhabitants, to which number must be added 800,000 at least, for about fifty towns now below the standard. SIX MILLIONS of people in cities, in 1860, and at least FOUR MILLIONS more engaged in manufactures, mining, and mechanic arts, navigation and transportation, will consume each, on an average, five bushels of wheat, with other bread stuffs and provisions in proportion, all to be grown where they can be obtained cheapest, reckoning together cost of growth, and of transportation. Illinois grows these products as cheaply as any spot on earth already ; and can transport them as cheaply as most regions yielding a surplus above their own consumption, as soon as the avenue, which we propose to open for her is completed.

These ten millions of inhabitants, standing in the place of less than two millions, falling within the same categories in 1830, not only create a market for all the agricultural products which they consume, and thereby hold out inducements to the emigrant to take up the rich lands of the Northwest, and avail himself of this market ; but they create also another and an annually increasing demand, which the Northwest only can meet. As wealth accumulates, imported comforts and luxuries are more sought for, and these can only be paid for by the exportation of agricultural products. The excess, beyond what cotton, rice, and tobacco will pay for, must be met mostly by the products of the Northwest.

The imports of the year 1830, were \$70,876,920, but in 1850, they had risen to \$178,138,318. This increased purchase of course, took off increased quantities of products to pay for it. The imports in the four years ending with 1830, were \$313,363,339 ; for the four years ending with 1850, they were \$627,519,323, while the exports for four years ending in 1830, were \$300,797,692, and for four years end-

ing in 1850, they were \$610,339,598. The imports having doubled in twenty years, the exports have doubled also. Has the whole demand, both domestic and foreign taken together, been sufficient to keep up the prices of the surplus products of the Northwest, as compared with the prices of manufactured and imported articles which the farmer purchases with the disposable portion of his crop? The answer to this question determines whether the inducements to settle in the Northwest are gaining strength; for it is the amount which his surplus will purchase that determines the question whether the farmer will grow rich or poor.

If we compare the four last years with the four preceding, we shall find:

1st. That goods manufactured in the Eastern States have become much cheaper.

2d. That imported articles have grown cheaper.

3d. That agricultural products command much higher prices than before.

4th. That the cost of transporting agricultural produce from the West to the seaboard, and manufactured and imported articles from the seaboard to the West has been materially diminished, and is likely to be still more so.

Each of these four changes is of vast advantage to the settlers on the public lands, and their combined influence has caused wealth to pour in like a flood, into those sections of the Northwest, having convenient access to the markets of the world. Of the effect of this tribute of wealth upon the accumulations of those communities who receive it, I have given an instance in Table E, showing that the wealth of the thirteen northern counties of Illinois was six times as great in 1849, as it had been nine years before, in 1840.

But the accumulation of the wealth of the settler is by no means the true measure of the improvement of his condition, because he does not lay up all, or even the greater part of what he gains. If his ordinary income is doubled, he doubles his consumption of those articles of necessity, convenience or luxury, which he obtains from a distance; for, of all that the soil about him yields, he consumed to the full extent of his inclination before. Let us form a more distinct idea of the effect on his situation of the four changes I have just enumerated, by tracing out their operation upon some of the exchangeable commodities which he sells and which he buys.

I select iron, because it is an article of universal use, and one, the cheapness of which is more truly essential to the progress of civilization than that of any other. In fact, to reduce the cost of iron one-half would be to make a stride onward in all the conditions of well-being, than which, few revolutions in the history of the world have been more prodigious.

To investigate the case of one kind of iron is quite sufficient, because this may serve as a symbol of all the others, which are all affected substantially in the same manner. The Northwest is likely to build a thousand miles of Railroad, and to require a hundred thousand tons of rolled bar iron annually for some years to come. As the cultivator of Northwestern lands pays for this iron in the products of his soil, the question for the Northwest will be, how much flour, wheat, corn or other produce will purchase the quantity of iron which the Northwest, at the lowest prices, would advantageously consume?

The price of rolled bar iron at Liverpool has for months past averaged considerably less than thirty dollars: but as this price has undoubtedly been too low to yield a fair return on the labor and capital employed in producing it, I will suppose the price for some time to come to average thirty dollars, including port charges and commissions. The cost laid down at Detroit will be nearly as follows:

100,000 Tons of Rolled Iron, at
\$30 Per ton at Liverpool, will equal

\$3,000,000 Cost at Liverpool; add
500,000 Freight to New-York, at \$5.00.
90,000 Insurance at three per cent.
900,000 Duties at thirty per cent.
525,000 Freight to Detroit at \$5.25.

\$5,015,000 Cost at Detroit, or \$50.15 per ton.

This is to be paid for, say in flour, which, at the port of exportation, has averaged for the last four years \$5.77 $\frac{1}{3}$. Call this sum \$5.75, and deduct one dollar for freight from Detroit to New-York, and we have \$4.75 realized at Detroit for a barrel of flour. At these prices one hundred thousand tons of rails would cost at Detroit 1,055,989 barrels of flour. One ton of iron would cost ten and a half barrels of flour to the Michigan purchaser.

Take now the same exchanges, at the prices ruling from 1843 to 1846 inclusive, and mark the difference in the result. The average price of the rolled iron imported into the United States in the four years and two months, ending November 30th, 1846, was \$35.22 $\frac{1}{2}$ per ton. The duty was \$25.00 per ton, and the freight to Detroit from New-York, from \$7.00 to \$8.00 per ton. To err on the safe side, if at all, we will call it \$7.00. The difference in the freight of flour was more than twenty-five cents; but I will assume it to be no more, and call the freight \$1.25 per barrel. The calculation stands thus:

100,000 Tons of rolled iron at
35,22 $\frac{1}{2}$ Average of four years and two months.

\$3,522,500 Cost at Liverpool.
500,000 Freight to New-York.
105,675 Insurance at 3 per cent.
2,500,000 Duty at \$25.00 per ton.
700,000 Freight to Detroit, at \$7.00.

\$7,328,175 Cost at Detroit, 1843 to 1846.

This is equal to \$73.28 per ton, instead of \$50.15 at the present time, according to our computation. But in point of fact, iron in 1846 would have cost in Detroit over \$80.00, and it has been laid down there during the past summer at \$43.75. The results of our calculation, however, make a case quite strong enough. The flour exported from 1843 to 1846 inclusive, averaged \$4.79; say \$4.75 to the shipper. Deduct freight to the seaboard, \$1.25, and there remains \$3.50 to be realized in Detroit. To purchase one hundred thousand tons of iron at the price of \$73.28 and a fraction per ton, will require 2.093.764 barrels of flour at \$3.50.

That is to say, for four years previous to the 30th November, 1846, a ton of iron cost the purchaser at Detroit twenty-one barrels of flour: for four years after that date, it cost him less and less every year; and for the last year, it has cost him, in fact, less than ten and a half barrels.

If we measure the cost of the same ton of iron in corn, which could be brought to a seaport for twenty-five cents a bushel during the last four years, and for thirty cents during the last four years next preceding; the corn, which, in the four years ending in 1846, sold for fifty-five cents a bushel, leaves for the producer twenty-five cents; that which was shipped in the next four years brought 71.65, about seventy-one and two-thirds cents, leaving for the producer 46.65 per bushel.

One ton of iron at \$73.28 costs 293 bushels at 25.00 cents.

“ “ “ 50.15 “ 107 “ 46.65 “

But if we suppose the purchaser to be situated one hundred miles south of Chicago, in Champaign County, Illinois, the ton of iron which, after the Central Railroad is opened, he can buy for 125 or 150 bushels of corn, would have cost him before 1846 from eight hundred to a thousand bushels of corn. A change of itself enough to make the solitary places glad, and the desert to rejoice and blossom with rich abundance.

The increased price of agricultural products since 1846,

is not peculiar to flour and corn; it extends to pork, bacon, wheat, cotton, pearlash, and most other articles, whether used for food or otherwise.

Wheat sold from 1843 to 1846, for,	96 $\frac{3}{4}$ cents.
Deduct freight to seaport, . . .	30 "
	<hr/>
Remains for producer, . . .	63 $\frac{3}{4}$ "

Wheat sold from 1847 to 1850, for, .	\$1.29.6
Deduct freight to seaport,25
	<hr/>
Remains for producer, . . .	\$1.04.6

One ton of iron at 73.28 costs 110 bushels at 66 $\frac{3}{4}$ cents.
 " " " at 50.15 " 48 " at \$1.04.6 "

Ashes sold from 1843 to 1846, for	\$62.85 per ton.
Deduct freight to seaport, . . .	8.00
	<hr/>
Remains for producer, . . .	\$54.85

Ashes sold from 1847 to 1850, for	\$94.91 per ton.
Deduct freight to seaport, . . .	6.00
	<hr/>
Remains for producer, . . .	\$88.91

One ton of iron at \$73.28 costs 133 tons ashes at 54.85
 " " " at 50.15 " 56 $\frac{1}{2}$ " " at 88.91

Cotton sold from 1843 to 1846, for	6.87 cents per lb.
Deduct freight to seaport, . . .	57
	<hr/>
Remains to planter, . . .	6.30 cents.

Cotton sold from 1847 to 1850, for	8.417 cents per lb.
Deduct freight to seaport,417
	<hr/>
Remains to planter, . . .	8 cents.

One ton of iron at \$73.28 costs 1162 lbs. of cotton at 6.3 cts.
 " " " at 50.15 " 627 " " 8

Nor is iron the only great article of import that has fallen in cost. Most imports have fallen since 1846, some more, some less.

If we take the article of brown sugar, which next after iron, materials for clothing, and coffee, is more largely imported than any other commodity, we shall find that the advantage gained by the settler in this article is quite as great as in iron. Indeed, the cheapness of this agreeable luxury to the consumer has caused the consumption to be doubled during the period since 1846.

Quantity and Value of Brown Sugar imported.

4 years and 2 months, to 30th November, 1846,	520,059.585 lbs.	\$20,448,428
Which is per year,	124,814,300 "	4,907,598
At a cost per pound of 3.932 cents.		
3 years and 7 months, from 30th Nov. 1846,	894,372,984 lbs.	\$31,437,131
Which is per year,	249,592,460 "	8,773,153
At a cost per pound of 3.515 cents.		

By the tariff of 30th August, 1842, brown sugar paid a duty of two and a half cents per pound; while by the tariff of 30th July, 1846, it pays but 30 per cent. ad valorem. Eight mills will convey a pound of sugar quite as far into Illinois as sixteen mills would have done in 1844.

One million of pounds of brown sugar cost

<i>From 1843 to 1846.</i>	<i>1847 to 1850.</i>
\$39,320 first purchase.	\$35,150 first purchase.
25,000 duty.	10,545 duty.
5,000 freight.	4,000 freight.
786 ins. 2 per cent.	703 ins. 2 per cent.
16,000 freight to Illinois.	8,000 freight to Illinois.
<hr/> \$86,106	<hr/> \$58,398

One million of pounds of sugar, at the price previous to November 30th, 1846, or \$86,106, costs in flour at \$3.50 per barrel, 24,601 barrels.

At the price since 30th November, 1846, or \$58,398, it will cost the consumer in flour at \$4.75 per barrel 12,294 barrels, or less than half the amount of the produce of his soil, which he paid in 1845, or on the average of the four years ending in November, 1846.

If this million of pounds of sugar were paid for in wheat, at the price previous to November, 1846, it would cost,	129,000 bush.
But at the price since that time only,	55,830 "
<hr/>	
Making a saving of,	73,170 bush.

So that that section of country could well afford to double its consumption of sugar, as in fact the whole country has done, because after paying for that double consumption, there will still remain a large surplus for other purchases.

If paid for in corn at the prices as given before, this quan- tity of sugar would cost in Illinois, in the first period given,	344,464 bush.
But in the second period,	125,184 "
<hr/>	
Making a saving of,	219,280 bush.

If paid in pot and pearl ashes, it would cost in the first period,	1,570 tons.
In the second period, about,	657 tons.
<hr/>	
Making a saving of,	913 tons.

If paid for in cotton, it would cost in the first period,	1,366,763 pounds.
In the second period,	729,975 "
<hr/>	
Making a saving of,	636,788 pounds.

The cost of textile fabrics, both imported and manufactur-
ed at home, has also diminished, though not in so large a

ratio as iron and sugar. The same is true, though generally in a less degree, of almost every article the farmer buys ; while there has been a rise in price, on the average of the last four years over that of the four preceding, on almost every article the farmer sells.

The inducements held out to the emigrant to settle upon the public lands at the Northwest, have never before been so great as since 1846, yet there cannot be a question that the facilities of communication, soon to be created, will vastly enhance these inducements. They will, in fact, carry all the conveniences and refinements of old and densely settled societies into regions where the price of land is almost nominal, compared with older States, and where that land yields almost spontaneously, for a long series of years, harvests whose abundance seems almost fabulous.

I have shown the rates at which population has increased for the last ten years, and have submitted estimates founded on past experience and making little or no allowance for the improved circumstances of the settler, such as I have just been examining. One question only remains to be now considered. Strong as are the inducements to emigrants to settle these fertile regions, immensely as these inducements will be heightened and strengthened by our Railroad and other avenues now in process of construction, are there sources sufficient to supply this emigration ? If there are not, the progress of population will be checked for want of supplies from without. New-England and six other of the old States which have generally supplied emigrants to the West, have usually sent out about twenty per cent. of their population in ten years ; but as they are now increasing much more rapidly at home, we will suppose them to send out but $12\frac{1}{2}$ per cent. for the next ten years. Their whole population being 6,898,082, this per centage would give an immigration to the West of 862,260.

The emigration from foreign countries has been increasing very rapidly for the last four years, and thus far this year

is twenty-five per cent. over last year, at New-York, where the arrivals are most numerous. If we suppose it to increase four per cent. only each year, from last year, and allow for the natural increase after arrival, we shall have an increase to the population, from this source, in the next ten years, of

4,508,600 as per Table G.

To which add from old States, 862,260

And the total is, . 5,370,860

Of this sum, certainly more than four and a half millions will be added to the Northwestern States.

The population of these States is for the	
three older,	3,827,582
The four younger,	1,581,870
<hr/>	
Total seven Northwestern States, . . .	5,409,452
Add natural increase for ten years, . .	1,803,150
Addition from emigration, say, . . .	4,500,000
<hr/>	
Total for 1860,	11,712,602

This is two and a half millions more than our former calculations, and serves to demonstrate that the data on which they were founded are at least not extravagant.

Let us see what increase we may allow to each Northwestern State, and still be within the limits of this total.

Ohio receives nothing from emigration. Indiana receives less from emigration than New-York and Georgia send out in ten years. We may omit Ohio and Indiana therefore in disposing of the emigration from abroad, yet to be beyond the reach of cavil here we will allow them to receive 250,000 of these emigrants.

I place then in the first column the rate per cent. at which I assumed the Northwestern States would advance,

and the population for 1860 at that rate on the next column ; I then give an assumed rate for each State, with the population at that rate, so as to produce a total still short of what emigration will provide for.

<i>Inc. from 1850.</i>	<i>Pop. in 1860.</i>	<i>Inc. per cent.</i>	<i>Pop. in 1860.</i>
Ohio 30 per cent. . .	2,576,522	37.57	2,726,522
Indiana 45 per cent. . .	1,435,874	55.98	1,535,874
Illinois 110.4 per cent. . .	1,798,854	175.	2,352,316
	<hr/>		<hr/>
	5,811,250		6,614,712
Michigan 72.94 per cent. . .	695,317	100.	804,082
Wisconsin 220.95 per cent. . .	970,620	300.	1,222,152
Missouri 76.02 per cent. . .	1,200,540	100.	1,364,088
Iowa 163.42 per cent. . .	506,408	200.	576,741
	<hr/>		<hr/>
	3,372,885		3,967,063
Three older States, . . .			6,614,712
Four younger States, . . .			3,967,063
			<hr/>
Number at the rates given, . . .			10,581,775

And this leaves still more than a million to be disposed of. If it be said that a million more than I have supposed will remain in the old States, it must be because land in the new States will have risen to a higher level than its value, considering its distance from market. But the accessible lands of the West cannot generally reach this level until long after all the lands within fifteen miles of the Illinois Central Rail Road, have risen to prices far above the average of the lands of Ohio.

The population assigned to Illinois in this distribution, would give her a population of forty-two to the square mile ; in which case the lands of the whole State should average over ten dollars to the acre, a result that would not be reached without raising the lands on the line of the Rail-road to more than fifteen dollars per acre.

It is safe, then, to assume that the land belonging to the United States in Illinois, already reduced more than five millions of acres, below its amount in June 1850, by the grant of more than two and a half millions to the Central Rail Road, by the grant of all the swamp lands, and by the sales and location of land warrants, will all be taken up, so far as they are made accessible, in much less than ten years' time, and that the lands remaining in the hands of the Trustees, pledged for the bonds of the Company, will rise to an average value of from ten to twelve dollars in a period perhaps not exceeding ten years from the present date, certainly not exceeding ten years from the opening of the Railroad running through the whole length of these lands.

It may be proper to remark that the lands of Ohio, of which I gave the official value in the outset, include much that is of inferior quality and much not easily accessible, and that if we take only such of their lands as ought fairly to be compared to the lands on the line of our road, citizens of Ohio uniformly estimate them at from twenty-five to fifty dollars an acre.

To recapitulate, I have shown that our lands lie along the natural route of the greatest thoroughfare on the continent, that connecting the Northeast, and the Basin of the lakes with the Southwest and Gulf of Mexico, and thence with the coast of the Pacific; that the land between the Middle States and Illinois is taken up; that the younger States have a vast surface of land which is inaccessible; that the small portion which is accessible is settled already more densely than Illinois; that Illinois, notwithstanding her embarrassments, has sold more land and added greater numbers to her population than any other State of the Northwest; that this is what should be expected from the fertility of her soil; that where her land is open to easy access the increase in numbers and wealth is amazing and

almost incredible ; and that the districts through which our road runs, are only waiting for an avenue to market to advance at the same rate. I have shown our exports of the products of the Northwest increasing from seventy-one millions to one hundred and seventy-one millions of dollars in value in four years ; while such is the increase of population not agricultural, from increased manufactures, navigation, commerce, and city life, that together with the demand for export, they have caused the prices of all Northwestern products to rule higher, in spite of the vastly augmented number of producers.

I have shown that the settler in Illinois may obtain much more of all that he wishes to buy for a given amount of his produce, and for some of the most important articles at least twice as much as he could do five or six years ago. Consequently inducements to settlers are stronger now than ever ; and when we find emigration proceeding at a rate which will add five or six millions to the population in ten years, we inquire to what section of the country will these emigrants be drawn, and find no reason why Illinois should not, as she has done for several years past, receive a larger number than any other State.

Calculating her increase of population at rates far below what our data will justify, we find it reaches a density which has never failed to give to land a value much higher than is fully adequate to discharge the whole amount of the bonds to be predicated on our land in less than half the time they have to run. The remaining half of that period is certainly a sufficient time to be allowed for all possible contingencies of war, pestilence, or other disturbances of the ordinary current of events.

I consider then that any estimate which shall give to the lands belonging to the Company an average value of from ten to twelve dollars an acre to be reached in twelve

or fourteen years from this date, is amply sustained by the facts presented in this communication.

I have the honor to be,

Very respectfully,

Your obt servant,

ROBERT RANTOUL, JR.

ROBERT SCHUYLER, Esq.,

President of the

Illinois Central Railroad Co.,

New-York.

TABLE A.

Area of Northwestern States and Land unsold on the 30th June, 1850.

<i>States.</i>	<i>Sq. Miles.</i>	<i>Acres.</i>	<i>Unsold.</i>	<i>Swamp.</i>
Ohio, .	39,964	25,576,960	367,742	303,329
Indiana, .	33,809	21,637,760	1,511,266	981,682
Illinois, .	55,405	35,459,200	11,449,471	1,833,412
	<hr/> 129,178	<hr/> 82,673,920	<hr/> 13,328,479	<hr/> 3,118,423
Michigan, .	56,243	35,995,520	20,215,749	4,544,189
Wisconsin, .	53,924	34,511,360	24,774,656	1,259,269
Missouri, .	67,380	43,123,200	27,275,029	1,517,287
Iowa, .	50,914	32,584,960	26,512,387	33,813
	<hr/> 228,461	<hr/> 146,215,040	<hr/> 98,777,821	<hr/> 7,354,558

TABLE B.

Showing the Population and Number to a square mile of the Northwestern States in 1840 and in 1850.

<i>States.</i>	<i>Pop. in 1840.</i>	<i>Pr. sq. mile.</i>	<i>Pop. in 1850.</i>	<i>Pr. sq. mile.</i>
Ohio, .	1,519,467	34.46	1,981,940	49.58
Indiana, .	685,866	20.28	990,258	29.29
Illinois, .	476,183	8.59	855,384	15.45
	<hr/> 2,681,516	<hr/> 20.76	<hr/> 3,827,582	<hr/> 29.63
Michigan, . .	212,267	3.77	402,041	7.15
Wisconsin, .	30,945	.57	305,538	5.65
Missouri . .	383,702	5.69	682,044	10.12
Iowa, . .	43,112	.84	192,247	3.77
	<hr/> 670,026	<hr/> 2.93	<hr/> 1,581,870	<hr/> 6.92

RECAPITULATION.

Three older, .	2,681,516	20.76	3,827,582	29.63
Four younger, .	670,026	2.93	1,581,870	6.92
	<hr/> 3,351,542	<hr/> 9.37	<hr/> 5,409,452	<hr/> 11.82

These figures may require to be slightly altered on the publication of the corrected census.

TABLE C.

Showing the quantities of Land sold, granted, and otherwise conveyed, in the Northwestern States, up to June 30, 1850, and the averaged number of acres per head to the population of each State.

<i>State.</i>	<i>Acres parted with to June 30, 1850.</i>			<i>Acres per head.</i>
Ohio, . . .	25,209,218	. . .		12.70
Indiana, . . .	20,126,494	. . .		20.36
Illinois, . . .	24,009,728	. . .		28.00
	<hr/>			
	69,345,440			18.13
Michigan, . . .	15,779,771	. . .		40.00
Wisconsin, . . .	9,736,704	. . .		32.00
Missouri, . . .	15,848,171	. . .		23.16
Iowa, . . .	6,072,573	. . .		31.60
	<hr/>			
	47,437,219			30.10

TABLE D.

Showing the actual Increase of eleven States from which emigration has been usual, with the rate of increase and the number emigrating.

<i>States.</i>	1830.	1840.	<i>Inc. per ct.</i>	1850.	<i>Inc. per ct.</i>
N. E. without Maine,	1,555,252	1,732,990	11.43	2,146,476	23.86
N. J., Del., Md. & D. C.,	884,469	964,357	9.03	1,206,608	25.12
Va., N. C., & S. C.,	2,530,577	2,587,614	2.25	2,961,980	14.08
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	4,970,298	5,284,961	6.33	6,315,064	19.50
Natural increase 33 $\frac{1}{2}$		1,656,766		1,761,653	
Actual increase,		314,663		1,030,103	
		<hr/>		<hr/>	
Emigration,		1,342,103		731,550	
Natural increase 1840 to 1850,				1,761,653	
Increase of at 6.33 only,				334,714	
				<hr/>	
Emigration at that rate,				1,426,939	
Actual emigration,				731,550	
				<hr/>	
Less than the rate from 1840 to 1850,				695,389	

TABLE E.

Showing the Population and Valuation of the thirteen Counties on the line of the Chicago and Galena Railroad in 1840 and 1849.

<i>Counties.</i>	<i>Pop. 1840.</i>	<i>1850.</i>	<i>Val. 1840.</i>	<i>Val. 1849.</i>
Jo Davies,	6,180	18,767	383,715	2,785,225
Stephenson,	2,800	11,666	125,485	837,685
Winnebago,	4,609	11,731	222,630	1,564,617
McHenry,	2,578	15,800	88,930	1,545,277
Lake,	2,634	14,134	95,385	1,222,088
DeKalb,	1,697	7,544	66,945	720,108
Kane,	6,551	16,242	289,565	1,442,001
Du Page,	3,535	9,290	196,290	943,503
Cook,	10,201	43,280	1,864,205	7,617,102
Boone,	1,705	7,627	55,990	717,292
Kendall,	new	7,730		1,205,739
Carroll,	1,023	4,586	65,345	370,372
Ogle,	3,479	10,020	175,555	971,230
	<hr/> 46,992	<hr/> 178,417	<hr/> 3,630,040	<hr/> 21,942,239

Population in 1840, 46,992. Valuation, \$3,630,040.
Per head, \$77.25.

Population in 1850, 178,417, by United States census.

Deduct 15,000, increase 1849 to 1850.

Population in 1849, 163,417. Valuation, \$21,942,239.
Per head, \$134.27.

TABLE F.

Showing the Exports of Vegetable Food and Animal Products from 1843 to 1850, inclusive.

	<i>Animal.</i>	<i>Vegetable.</i>	<i>Total.</i>
1843,	\$3,963,694	\$6,955,908	\$10,919,602
1844,	6,149,379	11,239,437	17,388,816
1845,	6,206,394	9,810,508	16,016,902
1846,	7,833,864	19,329,585	27,163,449
	<hr/> 24,153,331	<hr/> 47,335,438	<hr/> 71,488,669
1847,	11,113,074	57,070,356	68,183,430
1848,	12,538,896	25,185,647	37,724,543
1849,	13,153,302	25,642,362	38,795,664
1850,	10,549,383	15,822,373	26,371,756
	<hr/> \$47,354,655	<hr/> \$123,720,738	<hr/> \$171,075,393

TABLE G.

Sources of Emigration to the Northwest from 1850 to 1860.

<i>Twelve old States.</i>	<i>Pop. in 1850.</i>
New England,	2,729,494
Delaware, Maryland, including District Columbia and New Jersey,	1,206,608
Virginia and the Carolinas,	2,961,980
<hr/>	
Total of States sending out emigrants,	6,898,082
Emigration at $12\frac{1}{2}$ per cent.,	862,260
Emigrants arriving in the United States in 1849, 299,610 ; in 1850, 315,333.	

From January 1, 1851, to September 2, 1851, eight months, there arrived at New-York alone, 198,288. They are now arriving at the rate of more than one thousand per day. The arrivals at New-York exceed by 25 per cent those of last year. Suppose the increase of each year to be four per cent. only, and we have for,

1851, . . .	327,946	1856,	398,985
1852, . . .	341,055	1857,	414,944
1853, . . .	354,697	1858,	431,541
1854, . . .	368,885	1859,	448,804
1855, . . .	383,640	1860,	456,756
<hr/>		<hr/>	
Total for five years,	1,776,223		2,161,030
Increase 20 per cent., 355,244 Inc. 10 pr. ct. 216,103			
<hr/>		<hr/>	
2,131,467		2,377,133	
		<hr/>	
		2,131,467	
<hr/>		<hr/>	
Total emigration for ten years, with increase,		4,508,600	



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